

# Contract Part B



Department of Executive Services  
Finance and Business Operations Division  
**Procurement and Contract Services Section**  
206-684-1681 TTY Relay: 711

Contract Title: **COBRA Administration, Retiree Medical, and Flexible Spending Account (FSA) Administration**

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**06-032OB**

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Buyer: Ovita Bonadie, [ovita.bonadie@metrokc.gov](mailto:ovita.bonadie@metrokc.gov), 206 684-1055

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<b>Contract Number:</b>	_____	<b>Contractor:</b>	_____
<b>Federal Tax ID:</b>	_____	<b>Requesting Dept.:</b>	_____
<b>Amount:</b>	_____	<b>Fund Source:</b>	_____
<b>Duration:</b>	_____	<b>To:</b>	_____
			_____
<b>Work Provided:</b>	_____		

## CONTRACT

THIS CONTRACT, made this \_\_\_\_\_ Day of \_\_\_\_\_, 2007, by and between King County, Washington, (hereinafter "County") and \_\_\_\_\_ with its principle place of business at \_\_\_\_\_ (hereinafter "Contractor").

WITNESSETH:

WHEREAS, the County has caused Contract documents for:

**Contract No.:** \_\_\_\_\_

**Contract Title:** **COBRA Administration, Retiree Medical, and Flexible Spending Account (FSA) Administration**

to be prepared for certain Work as described therein; and

WHEREAS, the Contractor has assured the County that it has the specialized expertise and experience necessary to properly Provide the goods and Services in a timely manner and that its Proposal includes all of the functions and features required for the goods and Services; and

WHEREAS, the County has accepted the Contractor's offer to provide the goods and Services in accordance with the Contract's terms, Scope of Work and Proposal documents;

WHEREAS, by executing this Contract, the Contractor represents that the waiver of the Contractor's immunity under industrial insurance, Title 51 RCW, as set forth in the Contract documents was mutually negotiated by the parties;

NOW THEREFORE, in consideration of the mutual covenants and agreements of the parties herein contained and to be performed, the Contractor hereby agrees to supply the goods and Services at the price and on the terms and conditions herein contained, and to assume and perform all of the covenants and conditions herein required of the Contractor, and the County agrees to pay the Contractor the Contract price Provided herein for the supply of the goods and Services and the performance of the covenants set forth herein.

THE FURTHER TERMS, CONDITIONS AND COVENANTS of the Contract are set forth in the following exhibit parts each of which is attached hereto and by this reference made a part hereof in the following order of precedence; **[1]** Contract Amendments; **[2]** the Contract Document which includes: Definition of Words and Terms, Standard Contractual Terms and Conditions, Specific Contractual Terms and Conditions, Insurance Requirements, Federal Transit Administration (FTA) Requirements, Scope of Work, Attachments A) Contractor Registration Form, B) Contract Price, C) Domestic Partners Benefits "Declaration" Form, D) Personnel Inventory Report, E) Affidavit and Certificate of Compliance, I) Certificate of Lobbying Activities, J) Disclosure Form to Report Lobbying and Instructions, K) Certification Regarding Debarment, Suspension and Other Responsibility Matters – Primary Covered Transactions, L) Certification Regarding Debarment, Suspension and Other Ineligibility and Voluntary Exclusion – Lower-Tier Covered Transactions, N) 504/ADA Assurance of Compliance, O) Contractor's Insurance Forms; and **[3]** RFP Addenda; **[4]** Request for Proposals; **[5]** Best and Final Offer; **[6]** the proposal.

**COMPANY NAME:** \_\_\_\_\_

**ACCEPTED BY:**

**KING COUNTY APPROVED BY:**

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name and Title (Print or Type)

\_\_\_\_\_  
Name and Title (Print or Type)

Date Accepted: \_\_\_\_\_

Date Accepted: \_\_\_\_\_

Approved as to form only: \_\_\_\_\_



**ATTACHMENT B**

**PRICE PROPOSAL FOR RFP NO.: 06-032 OB**

**RFP SUBJECT: COBRA ADMINISTRATION, RETIREE MEDICAL  
and FLEXIBLE SPENDING ACCOUNT (FSA) ADMINISTRATION**

Prompt payment discount offered: Percentage:\_\_\_\_\_ Days:\_\_\_\_\_

Standard payment is net thirty (30) Days. Evaluation Will be at the discounted prices if the time for the discount is twenty (20) Days.

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## DEFINITION OF WORDS AND TERMS

Words and terms shall be given their ordinary and usual meanings. Where used in the Contract documents, the following words and terms shall have the meanings indicated. The meanings shall be applicable to the singular, plural, masculine, feminine and neuter of the words and terms.

Acceptance or Accepted: Written documentation of the County's determination that the Contractor's Work has been completed in accordance with the Contract.

Administrative Change: Documentation provided by County to Contractor, which reflects internal King County procedures not affecting the Contract terms or Scope of Work.

Buyer: Individual designated by the County to conduct the Contract solicitation process, draft and negotiate contracts, resolve contractual issues and support the Project Manager during Contract performance.

Change Documentation: A written document agreed upon by Project Managers, which if it creates a material change to the Contract term or Scope of Work shall be executed as an Amendment.

Contract Amendment: A written change to the Contract modifying, deleting or adding to the terms or scope of work, signed by both parties, with or without notice to the sureties.

Contract or Contract Documents: The writings and drawings embodying the legally binding obligations between the County and the Contractor for completion of the Work under the Contract as set forth on Page i of this document.

Contractor: The individual, association, partnership, firm, company, corporation, or combination thereof, including joint ventures, contracting with the County for the performance of Services or Work under the Contract.

Cost Analysis: The review, evaluation and verification of cost data and the evaluation of the specific elements of costs and profit. Cost analysis is the application of judgment utilizing criteria to project from the data to the estimated costs in order to form an opinion on the degree to which proposed costs represent what the Contract should cost, assuming reasonable economy and efficiency.

Day: Calendar Day.

Person: Includes individuals, associations, firms, companies, corporations, partnerships, and joint ventures.

Price Analysis: The process of examining and evaluating a price without evaluating its separate cost elements and proposed profit.

Project Manager: The individual designated by the County to manage the project on a daily basis and who may represent the County for Contract administration. This Contract may be part of a larger County project.

Provide: Furnish without additional charge.

RCW: The Revised Code of Washington.

Scope of Work or Statement of Work (SOW): A section of the Contract consisting of written descriptions of Services to be performed, or the goods to be provided or the technical requirements to be fulfilled under this Contract contained within Scope of Work Section.

Services: The furnishing of labor, time or effort by a Contractor.

Subcontractor: The individual, association, partnership, firm, company, corporation, or joint venture entering into an agreement with the Contractor to perform any portion of the Work covered by this Contract.

Work: Everything to be provided and done for the fulfillment of the Contract and shall include all Software, Hardware and Services specified under this Contract, including Contract Changes and settlements.

## **SECTION 1 - STANDARD CONTRACTUAL TERMS AND CONDITIONS**

### **1-1 Administration**

This Contract is between the County and the Contractor who shall be responsible for providing the Work described herein. The County is not party to defining the division of Work between the Contractor and its Subcontractors, if any, and the Scope of Work has not been written with this intent.

The Contractor represents that it has or shall obtain all personnel, materials and equipment required to perform Work hereunder. Such personnel shall not be current or former employees of the County without the written approval of the County. Any current or former County employee who is involved, or becomes involved, in the performance of the Contract shall be disclosed; and the County shall determine whether conflicts of interest or ethical violations exist under the circumstances.

The Contractor's performance under this Contract may be monitored and reviewed by a Project Manager appointed by the County. Reports and data required to be provided by the Contractor shall be delivered to the Project Manager. Questions by the Contractor regarding interpretation of the terms, provisions and requirements of this Contract shall be addressed to the Buyer or Project Manager for response.

### **1-2 Contract Changes**

No oral order or conduct by the County shall constitute a Contract change. Both parties shall agree to contract changes in writing.

If any Contract change causes an increase or decrease in the cost of, or the time required for performance of any part of the Work under this Contract, an equitable adjustment in the Contract price, the project schedule, or both shall be made and the Contract and all related purchase orders(s) modified and agreed to in writing by both parties. Every contract change may require a Cost/Price Analysis to determine the reasonableness of the proposed adjustments to Contract price or schedule. Contract changes do not require notice to sureties by County.

### **1-3 Cost or Price Analysis**

The County may require Cost or Price Analysis, contract changes, terminations, and revisions to contract requirements or other circumstances as determined by the County.

### **1-4 Termination for Convenience/Default/Non-Appropriation**

#### **A. Termination for Convenience**

The County for its convenience may terminate this Contract, in whole or in part, at any time by written notice sent certified mail, return receipt requested, to the Contractor. After receipt of a Notice of Termination ("Notice"), and except as directed by the County, the Contractor shall immediately stop Work as directed in the Notice, and comply with all other requirements in the Notice. The Contractor shall be paid its costs, including necessary and reasonable Contract closeout costs and profit on that portion of the Work satisfactorily performed up to the date of termination as specified in the notice. The Contractor shall promptly submit its request for the termination payment, together with detailed supporting documentation. If the Contractor has any property in its possession belonging to the County, the Contractor shall account for the same and dispose of it in the manner the County directs. All termination payment requests may be subject to Cost or Price Analysis to determine reasonableness and compliance with the Contract, applicable laws and regulations.

## **B. Termination for Default**

If the Contractor does not deliver Work in accordance with the Contract, or the Contractor fails to perform in the manner called for in the Contract, or if the Contractor fails to comply with any material provisions of the Contract, the County may terminate this Contract, in whole or in part, for default as follows:

1. A Notice to Cure shall be served on the Contractor by certified mail (return receipt requested) or delivery service capable of providing a receipt. The Contractor shall have ten (10) Days to cure the default or provide the County with a detailed written plan, which indicates the time and methods needed to bring the Work into compliance and cure the default.
2. If the Contractor has not cured the default or the plan to cure the default is not acceptable to the County, the County may terminate the Contract Termination shall occur by serving a Notice of Termination by certified mail (return receipt requested) or delivery service capable of providing a receipt on the Contractor setting forth the manner in which the Contractor is in default and the effective date of termination;
3. The Contractor shall only be paid for Work delivered and Accepted, or Work performed in accordance with the manner of performance set forth in the Contract less any damages to the County caused by or arising from such default. All termination payment requests are subject to Cost or Price Analysis to verify compliance with the Contract, applicable laws and regulations.
4. The termination of this Contract shall in no way relieve the Contractor from any of its obligations under this Contract nor limit the rights and remedies of the County hereunder in any manner.

## **C. Termination for Non-Appropriation**

If expected or actual funding is withdrawn, reduced or limited in any way prior to the termination date set forth in this Contract or in any amendment hereto, the County may, upon written notice to the Contractor, terminate this Contract in whole or in part.

In accordance with King County Code 4.04.040B.6, payment shall not exceed the appropriation for the year in which termination is effected. If the Contract is terminated for non-appropriation:

1. The County shall be liable only for payment in accordance with the terms of this Contract for Services rendered prior to the effective date of termination; and,
2. The Contractor shall be released from any obligation under this contract or a related Purchase Order to Provide further Work pursuant to the Contract as are affected by the termination.

Funding under this Contract beyond the current appropriation year is conditional upon the appropriation by the County Council of sufficient funds to support the activities described in this Contract. Should such an appropriation not be approved, the Contract shall terminate at the close of the current appropriation year. The appropriation year ends on December 31 of each year.

## **1-5 Force Majeure**

The term "force majeure" shall include, without limitation by the following enumeration: acts of nature, acts of civil or military authorities, fire, accidents, shutdowns for purpose of emergency repairs, industrial, civil or public disturbances, causing the inability to perform the requirements of this Contract. If any party is rendered unable, wholly or in part, by a force majeure event or any other cause not within such party's control, to perform or comply with any obligation or condition of this Contract, upon giving notice and reasonably full particulars to the other party, such obligation or condition shall be suspended only for the time and to the extent commercially practicable to restore normal operations. In the event the Contractor ceases to be excused pursuant to this provision, then the County shall be entitled to exercise any remedies otherwise provided for in this Contract, including Termination for Default.



**1-6 Washington State Sales Tax**

The County shall make payment directly to the State for all applicable State sales taxes in case the Contractor is not registered for payment of sales taxes in the State of Washington. If the Contractor is so registered, it shall add the sales tax to each invoice and upon receipt of payment from the County, promptly remit appropriate amounts to the State of Washington.

**1-7 Taxes, Licenses, and Certificate Requirements**

This Contract and any of the Work Provided hereunder is contingent and expressly conditioned upon the ability of the Contractor to provide the specified goods or Services consistent with applicable federal, state or local laws and regulations. If, for any reason, the Contractor's required licenses or certificates are terminated, suspended, revoked or in any manner modified from their status at the time this Contract becomes effective, the Contractor shall notify the County immediately of such condition in writing.

The Contractor and subcontractor(s) shall maintain and be liable for all taxes (except sales/use taxes), fees, licenses permits and costs as may be required by applicable federal, state or local laws and regulations as may be required to provide the Work under this Contract.

**1-8 Assignment**

Neither party shall assign any interest, obligation or benefit under or in this Contract or transfer any interest in the same, whether by assignment or novation, without prior written consent of the other party. If assignment is approved, this Contract shall be binding upon and inure to the benefit of the successors of the assigning party. This provision shall not prevent Contractor from pledging any proceeds from this Contract as security to a lender so long as King County Policy Fin10-1 (AP), paragraph 6.1.3 is followed. An assignment shall be accepted by either party upon the posting of all required bonds, securities and the like by the assignee, and the written agreement by assignee to assume and be responsible for the obligations and liabilities of the Contract, known and unknown, and applicable law.

**1-9 Indemnification and Hold Harmless**

To the maximum extent permitted by law and except to the extent caused by the sole negligence of the County, the Contractor shall indemnify and hold harmless the County, its officers, officials, agents and employees, from and against any and all suits, claims, actions, losses, costs, penalties and damages of whatsoever kind or nature arising out of, in connection with, or incident to the goods and /or services Provided by or on behalf of the Contractor. In addition, the Contractor shall assume the defense of the County and its officers and employees in all legal or claim proceedings arising out of, in connection with, or incidental to such goods and/or Services: shall pay all defense expenses, including reasonable attorney's fees, expert fees and costs incurred by the County on account of such litigation or claims. This indemnification obligation shall include, but is not limited to, all claims against the County by an employee or former employee of the Contractor or its subcontractors, and the Contractor, by mutual negotiation, expressly waives all immunity and limitation on liability, as respects the County only, under any industrial insurance act, including Title 51 RCW, other Worker's compensation act, disability benefit act, or other employee benefit act of any jurisdiction which would otherwise be applicable in the case of such claim. In the event that the County incurs any judgment, award and/or cost including attorney's fees arising from the provisions of this subsection, or to enforce the provisions of this subsection, any such judgment, award, fees, expenses and costs shall be recoverable from the Contractor. In the event of litigation between the parties to enforce the rights under this subsection, reasonable attorney fees shall be allowed to the substantially prevailing party.

## **1-10 Applicable Law and Forum**

Except as hereinafter specifically provided, this Contract shall be governed by and construed according to the laws of the State of Washington, including, but not limited to, the Uniform Commercial Code, Title 62A RCW. Any claim or suit concerning this Contract may only be filed in either the King County Superior Court or U.S. District for the Western District of Washington, in Seattle.

## **1-11 Conflicts of Interest and Non-Competitive Practices**

### **A. Conflict of Interest**

By entering into this Contract to perform Work, the Contractor represents that it has no direct or indirect pecuniary or proprietary interest, and that it shall not acquire any interest that conflicts in any manner or degree with the Work required to be performed under this Contract. The Contractor shall not employ any Person or agent having any conflict of interest. In the event that the Contractor or its agents, employees or representatives hereafter acquires such a conflict of interest, it shall immediately disclose such conflict to the County. The County shall require that the Contractor take immediate action to eliminate the conflict up to and including termination for default.

### **B. Contingent Fees and Gratuities**

By entering into this Contract to perform Work, the Contractor represents that:

1. No Persons except as designated by Contractor shall be employed or retained to solicit or secure this Contract with an agreement or understanding that a commission, percentage, brokerage, or contingent fee would be paid; and
2. No gratuities, in the form of entertainment, gifts or otherwise, were offered or given by the Contractor or any of its agents, employees or representatives, to any official, member or employee of the County or other governmental agency with a view toward securing this Contract or securing favorable treatment with respect to the awarding or amending, or the making of any determination with respect to the performance of this Contract.

## **1-12 Disputes, Claims and Appeals**

The Contractor shall address questions or claims regarding the Contract in writing to the Buyer and Project Manager, within ten (10) Days of the date in which the Contractor knows or should know of the question or claim. No claim by the Contractor shall be allowed if asserted after final payment under this Contract. No claim shall be allowed for any costs incurred more than ten (10) Days before the Contractor gives written notice, as required in this section. The Buyer and Project Manager shall ordinarily respond to the Contractor in writing with a decision, but absent such written response, the question or claim shall be deemed denied upon the tenth (10<sup>th</sup>) Day following receipt by the Buyer and Project Manager.

In the event the Contractor disagrees with the determination of the Buyer and Project Manager, the Contractor shall, within five (5) Days of the date of such determination, appeal the determination in writing to the Procurement and Contract Services Section Manager. Such written notice of appeal shall include all information necessary to substantiate the appeal. The Procurement and Contract Services Section Manager shall review the appeal and make a determination in writing, which shall be final. Appeal to the Procurement and Contract Services Section Manager shall be a condition precedent alternative dispute resolution or litigation.

Pending final decision of a dispute hereunder, the Contractor shall proceed diligently with the performance of the Contract and in accordance with the direction of the Buyer or Project Manager. Failure to comply precisely with the time deadlines under this subsection as to any claim shall operate as a waiver and release of that claim and an acknowledgment of prejudice to the County.

### **1-13 Mediation and Arbitration**

Nothing in this subsection precludes any party from seeking relief from King County Superior Court or the U.S. District Court for the Western District of Washington, in Seattle. If a dispute arises out of or relates to this Contract, or the breach thereof, and if said dispute cannot be settled through direct discussions, the parties agree to first endeavor to settle the dispute in an amicable manner by mediation. Thereafter, any unresolved controversy or claim arising out of or relating to this Contract, or breach thereof, may be resolved by arbitration, and judgment upon the award rendered by the arbitrator may be entered in either King County Superior Court or the U.S. District Court for the Western District of Washington, in Seattle.

### **1-14 Retention of Records, Audit Access and Proof of Compliance with Contract**

#### **A. Retention of Records**

The Contractor and its subcontractors shall maintain books, records and documents of its performance under this Contract in accordance with generally accepted accounting principles. The Contractor shall retain for six (6) years after the date of final payment under the Contract all financial information, data and records for all Work.

#### **B. Audit Access**

1. Federal, state or County auditors shall have access to Contractor's and its Subcontractors' records for the purpose of inspection, Cost or Price Analysis, audit or other reasonable purposes related to this Contract. Federal, state or County auditors shall have access to records and be able to copy such records during the Contractor's normal business hours. The Contractor shall Provide proper facilities for such access, inspection and copying.
2. Audits may be conducted during or after the Contract period for purposes of evaluating claims by or payments to the Contractor and for any other reason deemed appropriate and necessary by the County. Audits shall be conducted in accordance with generally accepted auditing principles and/or federal, state or County audit procedures, laws or regulations. The Contractor shall fully cooperate with the auditor(s).
3. If an audit is commenced more than sixty (60) Days after the date of final payment for Contract Work, the County shall give reasonable notice to the Contractor of the date on which the audit shall begin.

#### **C. Proof of Compliance with Contract**

The Contractor shall, upon request, provide the County with satisfactory documentation of the Contractor's compliance with the Contract.

In addition, the Contractor shall permit the County, and if federally funded, the FTA and the Comptroller General of the United States, or a duly authorized representative, to inspect all Work, materials, payrolls and other data and records involving the Contract.

### **1-15 Other Public Agency Orders**

Other federal, state, county and local entities may utilize the terms and conditions established by this Contract. The County does not accept any responsibility or involvement in the purchase orders or contracts issued by other public agencies.

### **1-16 Recycled Products Policy**

The County promotes the purchase and utilization of recycled material and products where available. Recycled material means material and byproducts, which have been recovered or diverted from solid waste disposal for the purpose of recycling. It does not include those materials and byproducts generated from, and commonly reused within, an original manufacturing process. In the event of similar

pricing, availability and other factors affecting the solicitation, preference may be given to products containing recycled material.

Ref: KCC 10.14

**1-17 Conflicts of Interest - Current and Former Employees**

The County seeks to eliminate and avoid actual or perceived conflicts of interest and unethical conduct by current and former County employees in transactions with the County. Consistent with this policy, no current or former County employee may contract with, influence, advocate, advise, or consult with a third party about a County transaction, or assist with the preparation of Proposals submitted to the County while employed by the County or within one (1) year after leaving the County's employment, if he/she participated in determining the Work to be done or process to be followed while a County employee.

Contractors who anticipate contracting with the County shall identify at the time of offer, such current or former County employees involved in preparation of proposals or the anticipated performance of the Work if awarded the Contract. Failure to identify former County employees involved in this transaction may result in the County's denying or terminating this Contract. In addition, after award, the Contractor is responsible for notifying the County's Project Manager of current or former County employees who may become involved in the Contract any time during the term of the Contract

Ref: KCC 3.04.015C; 3.04.035B; 3.04.035D; 3.04.035E; 3.04035H1; 3.04.035H2.

**1-18 Nondiscrimination And Equal Employment Opportunity**

**A. Nondiscrimination in Employment and Provision of Services.**

During the performance of this Contract, neither the Contractor nor any party subcontracting under the authority of this Contract shall discriminate nor tolerate harassment on the basis of race, color, sex, religion, nationality, creed, marital status, sexual orientation, age, or the presence of any sensory, mental, or physical disability in the employment or application for employment or in the administration or delivery of services or any other benefits under this Contract. King County Code Chapter 12.16 is incorporated herein by reference, and such requirements shall apply to this Contract.

**B. Nondiscrimination in Subcontracting Practices.**

During the solicitation, award and term of this Contract, the Contractor shall not create barriers to open and fair opportunities to participate in County contracts or to obtain or compete for contracts and subcontracts as sources of supplies, equipment, construction and services. In considering offers from and doing business with subcontractors and suppliers, the Contractor shall not discriminate against any person on the basis of race, color, creed, religion, sex, age, nationality, marital status, sexual orientation or the presence of any mental or physical disability in an otherwise qualified disabled person.

**C. Compliance with Laws and Regulations.**

The Contractor shall comply fully with all applicable federal, state, and local laws, ordinances, executive orders, and regulations that prohibit discrimination.

Unfair Employment Practices. King County Code Chapter 12.18 is incorporated by reference as if fully set forth herein and such requirements apply to this Contract.

**D. Record-keeping Requirements and Site Visits.**

The County may, at any time, visit the Project Site, Contractors' and subcontractors' offices to review records related to the solicitation, utilization, and payment to subcontractors and suppliers in compliance with Executive Order 11246 as amended by Executive Order 11375. This provision includes compliance with any other requirements of this Section. The Contractor shall provide all

reasonable assistance requested by King County during such visits. The Contractor shall maintain, for six (6) years after completion of all work under this Contract, the following:

1. Records, including written quotes, bids, estimates or proposals submitted to the Contractor by all businesses seeking to participate on this Contract, and any other information necessary to document the actual use of and payment to subcontractors and suppliers in this Contract.
2. The Contractor shall make the foregoing records available to King County for inspection and copying upon request. Any violation of the mandatory requirements of the provisions of this subsection shall be a material breach of contract, which may result in termination of this Contract or such other remedy as the County deems appropriate, including but not limited to damages or withholding payment.

E. Discrimination In Contracting

King County Code Chapter 12.17 is incorporated by reference as if fully set forth herein and such requirements apply to this Contract. During the performance of this Contract, neither Contractor nor any party subcontracting under the authority of this Contract shall discriminate or engage in unfair contracting practices prohibited by KCC 12.17.

**1-19 Disadvantaged Business Enterprise (DBE) Participation**

- A. Nondiscrimination 49 CFR part 26. The Contractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this Contract. The Contractor shall carry out applicable requirements of 49 CFR, part 26 in the award and administration of United States Department of Transportation assisted contracts. Failure by the Contractor to carry out these requirements is a material breach of this Contract, which may result in the termination of this Contract or such other remedy, as the County deems appropriate.
- B. DBE Program. The County has determined that no DBE goal shall be established for this Contract. However, the County requires that the Contractor report any actual DBE participation on this Contract to enable the County to accurately monitor DBE program compliance.
- C. Efforts to Increase DBE Participation. Even though this Contract has no DBE goal, the County still encourages Contractors to pursue opportunities for DBE participation. To that end, Contractors are encouraged to:
  1. Advertise opportunities for subcontractors and suppliers ("subcontractors") in a manner reasonably designed to provide DBEs capable of performing the work with timely notice of such opportunities. All advertisements should include a provision encouraging participation by DBE firms and may be done through general advertisements (e.g., newspapers, journals, etc.) or by soliciting Proposals directly from DBEs.
  2. Utilize the services of available minority community organizations, minority consultant groups, local minority assistance offices and organizations that provide assistance in the recruitment and placement of DBEs and other small businesses.
  3. Establish delivery schedules, where requirements of the contract allow and encourage participation by DBEs and other small businesses.
  4. Achieve DBE attainment through joint ventures.
- D. DBE Listing. A current list of DBE firms accepted as certified by the Washington State Office of Minority and Women's Business Enterprises (OMWBE) is available from that office at (360) 753-9693. For purposes of this Contract, a DBE firm shall be certified by OMWBE as of the date and time of bid submittal.
- E. Procedure Applicable when DBEs Are Utilized. Concurrent with the use of any DBE subcontractor or supplier the Contractor shall provide notice of such use in writing to the King County Business Development and Contract Compliance Section (BDCC). Upon receipt of said notice, BDCC shall

provide the Contractor with the applicable procedures for counting DBE participation. Assistance with this Section is available from BDCC at (206) 205-0700. Notice referenced herein should be delivered to the following address:

King County  
Office of Business Relations and Economic Development  
M.S. KCC-EX-0402  
516 3rd Avenue, Room 550  
Seattle, WA 98104-3271  
Phone: 206-205-0700  
Fax: 206-296-0194

**1-20 Severability**

Whenever possible, each provision of this Contract shall be interpreted to be effective and valid under applicable law. If any provision is found to be invalid, illegal or unenforceable, then such provision or portion thereof shall be modified to the extent necessary to render it legal, valid and enforceable and have the intent and economic effect as close as possible to the invalid, illegal and unenforceable provision.

**1-21 Nonwaiver of Breach**

No action or failure to act by the County shall constitute a waiver of any right or duty afforded to the County under the Contract; nor shall any such action or failure to act by the County constitute an approval of, or acquiescence in, any breach hereunder, except as may be specifically stated by the County in writing.

**1-22 Non-Discrimination in Benefits to employees with Domestic Partners**

King County's Equal Benefits (EB) Ordinance 14823 states that to be eligible for award of contracts at a cost of \$25,000.00 or more, firms must not discriminate in the provisions of employee benefits between employees with spouses, and employees with domestic partners. The successful Contractor, bidder or proposer shall be required to complete a Worksheet and Declaration form. Compliance with Ordinance 14823 is a mandatory condition for execution of a contract. The EB Compliance forms, and Ordinance 14823 are available online at: <http://metrokc.gov/procurement/forms/eb.aspx>.

## SECTION 2 - SPECIFIC CONTRACTUAL TERMS AND CONDITIONS

### 2-1 Execution of the Contract

The documents constituting the Contract between the County and the Contractor are intended to be complementary so that what is required by any one of them shall be as binding as if called for by all of them. In the event of any conflicting provisions or requirements within the several parts of the Contract documents, they shall take precedence as listed on the Contract, page 1. The date the Contract is countersigned by the County is the Contract effective date. No other act of the County shall constitute Contract award. After Contract award, the County shall issue Purchase Orders detailing the Work to be performed.

The Contract may be executed in two counterparts, each of which shall be deemed an original and which shall together constitute one Contract.

### 2-2 Contract Term

The initial term of this Contract shall be three (3) years, commencing on the effective date of the Contract and subject to the termination provisions at subsection 1-4, Termination for Convenience/Default/Non-Appropriation. King County may extend this Contract for six (6) one year increments. During extension periods, all terms and conditions of this Contract shall remain in effect except those amended for the extension period. The maximum term for this Contract, consisting of the base period plus extensions, is nine (9) years.

### 2-3 Notices

All notices or Documentation required or Provided pursuant to this Contract shall be in writing and shall be deemed duly given when delivered to the addresses first set forth below.

For Project Management related notices or Documentation

King County	Contractor
Project Manager – Kerry Schaefer	
Yesler Building, 400 Yesler Way	
Seattle, WA 98104-2683	
206-263-5051	
<a href="mailto:kerry.schaefer@metrokc.gov">kerry.schaefer@metrokc.gov</a>	

For Contract related notices or Documentation contact:

King County Procurement and Contract Services Section	
M.S. EXC-ES-0871	
Exchange Building, 8 <sup>th</sup> Fl. 821 2 <sup>ND</sup> Ave.	
Seattle, WA. 98104-1598	
Buyer – Ovita Bonadie	
(206) 684-1055	
<a href="mailto:ovita.bonadie@metrokc.gov">ovita.bonadie@metrokc.gov</a>	

## **2-4 Payment Procedures**

### **A. Invoices**

The Contractor for Work Accepted by the County shall furnish invoices to:

King County Accounts Payable  
M/S EXC-ES-0875  
Exchange Building, 8<sup>th</sup> floor  
821 Second Avenue  
Seattle, WA 98104-1598

**Important** – When a purchase order is issued against this Contract that has the potential for multiple or partial deliveries, a separate invoice shall be generated for each completed delivery Accepted by the County. All invoices shall include the following information: purchase order number, requester's name and phone number, date of invoice, invoice number and invoice total. For each item in the Contract provide the: item number, quantity, description, contract price and when applicable provide the manufacture, list price and discounts. For Services identify from the bid, either milestone Acceptance or hourly rates, hours worked, total hours or related fees.

**Failure To Comply With These Requirements Or To Provide An Invoice In Conformance With The Contract May Delay Payment.**

### **B. Payments**

Within thirty (30) Days after receipt of an invoice, the County shall pay the Contractor for accepted Work, upon acceptance of payment Contractor waives any claims for the Work covered by the Invoice.

If the Contractor is registered with the State of Washington it shall add all applicable State Sales use taxes to each invoice and upon receipt of the payment promptly remit appropriate amounts to Washington, or the County will make payment directly to the State.

### **C. Subcontractor Prompt Payment**

The Contractor agrees to pay each Subcontractor under this Contract for satisfactory performance of its subcontract no later than ten (10) Days from the receipt of each payment the Contractor receives from the County.

## **2-5 Advance Payment Prohibited**

No advance payment shall be made for the Work furnished by Contractor pursuant to this Contract.

## **2-6 Purchase Orders**

Purchase orders shall be issued referencing this Contract number. Purchase order(s) shall define and authorize the Work by the Contractor based on the prices contained in Attachment B. The purchase orders issued by the County may reflect agreed to modification of Contract terms, funding or other matters subject to subsection 1-2, Contract changes.

## **2-7 Pricing**

Prices shall remain firm for the duration of the initial Contract period. Reasonable price changes based on market conditions and price/cost analysis may be made after the initial Contract period. The Contractor shall supply documentation satisfactory to King County such as documented changes to the Producers Price Index (PPI), the Consumer Price Index (CPI) or a manufacturer's published notification of price change(s). King County will evaluate this information to determine if revising the pricing is considered fair and reasonable to the satisfaction of King County. Requests for any such change are to be made in



writing to the Buyer in the Procurement Services Division office. Any agreed-to change shall take effect at the time of the Contract extension and shall remain in effect throughout the extension period. The parties hereto recognize that such changes could be increases or decreases in the prices; both parties are entitled to benefit from such price changes.

## **2-8 Shipping Charges**

All prices shall include freight FOB to the designated delivery point. The County shall reject requests for additional compensation for freight charges.

## **2-9 Cost Mark-Up**

Contractors shall not mark up Subcontractor costs and other direct costs. The cost for Subcontractor management shall be segregated into a single cost item and included as a separate task in Attachment B.

## **2-10 Direct Costs Related to Additional Work**

Direct costs for additional Work shall be billed at cost without markup.

Reimbursement of Contractor travel, lodging and meal expenses are limited to the eligible costs based on the rates and criteria established in King County Code, chapter 3.24.

- A. The mileage rate allowed by King County shall not exceed the current Internal Revenue Services (IRS) rates per mile as allowed for business related travel. The IRS mileage rate shall be paid for the operation, maintenance and depreciation of individually owned vehicles for that time which the vehicle is used during Work hours. Parking shall be the actual cost. When rental vehicles are authorized, government rates shall be requested. If a Person does not request government rates, he/she maybe Personally responsible for the difference. Please reference the IRS web site for current rates. <http://www.irs.gov/>.
- B. Reimbursement for meals shall be limited to the per diem rates established by Federal travel requisitions for the host city in the code of Federal Regulations, 41 CFR § 301, App.A.
- C. Accommodation rates shall not exceed the Federal Lodging limit plus host city taxes. The Contractor shall always request government rates.
- D. The direct costs contained in A, B and C above shall only be authorized by the County Project Manager for Contractor staff living beyond commuting distance, normally considered to be for the travel beyond 100 miles of 821 Second Avenue, Seattle, WA.
- E. Air travel shall be by coach class at the lowest price available at the time the County Project Manager requests a particular trip. In general, a trip is associated with a particular Work activity of limited duration and only one round-trip ticket, per Person, shall be billed per trip.
- F. Cost for equipment, materials and supplies, such as approved equipment rental; telephone, telegraph and cable expenses; reproduction costs including blueprinting, photographing, telecopying, mimeographing, photocopying and printing; express charges; commercial printing, binding, art Work and models; and, computer programming and data entry costs shall be billed without markup.
- G. Authorized subcontract Services; Provided that the limitations set forth in the above paragraphs shall be applicable to such subcontract Services.
- H. Other direct costs, not listed above, may be billed if the County has given prior approval.
- I. Receipts required for purchases \$10 and over, not including meals.

## **2-11 Public Disclosure Requests**

Contracts shall be considered public documents and, with exceptions provided under public disclosure laws, shall be available for inspection and copying by the public.

If a Contractor considers any portion of the Work, including Software, data and related materials, delivered to the County to be protected under the law, the Contractor shall clearly identify each such item with words such as "**Confidential**," "**Proprietary**" or "**Business Secret**." If a request is made for disclosure of such item, the County shall determine whether the material should be made available under the law. If the material or parts thereof are determined by the County to be exempt from public disclosure, the County shall not release the exempted documents. If the material is not exempt from public disclosure law, the County shall notify the Contractor of the request and allow the Contractor ten (10) Days to take whatever action it deems necessary to protect its interests. If the Contractor fails or neglects to take such action within said period, the County shall release the item deemed subject to disclosure. By signing this Contract, the Contractor assents to the procedure outlined in this subsection and shall have no claim against the County on account of actions taken under such procedure.

## **2-12 Board of Ethics Disclosure Requirement**

Pursuant to King County code 3.04.120, the Consultant shall file a Contractor Disclosure Form with the Board of Ethics and the King County Executive, attached hereto as Attachment M.

## **2-13 Changed Requirements**

New Federal, State and County laws, regulations, ordinances, policies and administrative practices may be established after the date this Contract is established and may apply to this Contract. To achieve compliance with changing requirements, the Contractor agrees to accept all changed requirements that apply to this Contract and require Subcontractors to comply with revised requirements as well. Changed requirements shall be implemented through subsection 1-2 Contract changes.

## **2-14 Counterparts**

This Contract may be signed in two counterparts, each of which shall be deemed an original and which shall together constitute one Contract.

## **2-15 HIPAA – Protecting Patient Privacy**

The work under this Contract will require compliance with "The Health Insurance Portability and Accountability Act of 1996" (HIPAA). Information on this Act can be found at the Office of Civil Rights website: <http://www.hhs.gov/ocr/hipaa/>.

## SECTION 3 - INSURANCE REQUIREMENTS

### 3-1 Insurance Requirements

- A. The Contractor shall obtain and maintain the minimum insurance set forth below. The Contractor shall assess its own risks and, if it deems appropriate and/or prudent, maintain greater limits and/or broader coverage.
  - 1. The Contractor shall maintain the appropriate **professional liability**, affording limits of liability of \$1,000,000 each claim and \$5,000,000 aggregate for damages sustained by reason of or in the course of operations under the contract, whether occurring by reason of acts, errors or omissions of the Contractor.
  - 2. The Contractor Shall maintain limits no less than, for:
    - SECTION 1. General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, Personal injury and property damage, and for those policies with aggregate limits, a \$2,000,000 aggregate limit.
    - SECTION 2. Workers' Compensation: Statutory requirements of the state of residency.
    - SECTION 3. Employers Liability Stop Gap: \$1,000,000.
- B. Such insurance shall be maintained through the term of this contract and, if coverage is on a "claims made" basis, coverage shall be further extended to cover claims made during one (1) additional year beyond said period.
- C. The Contractor's insurance shall be primary to and not contributing with any insurance or self-insurance which may be carried by King County, but only as respects the negligent ascts of the Contractor.
- D. Such insurance shall be provided by insurance companies with an A.M. Best's rating of A- or better.
- E. No provision in this section shall be construed to limit the liability of the Contractor for work not done in accordance with the contract, or express or implied warranties. The Contractor's liability for the work shall extend as far as the appropriate periods of limitation provided by law.

## **SECTION 4 - FEDERAL TRANSIT ADMINISTRATION (FTA) REQUIREMENTS**

This Contract shall be funded approximately three percent by the Federal Transit Administration (FTA). Neither the FTA nor the Federal Government shall be a party to any subagreement nor to any solicitations or request for Proposals. This Contract shall be subject to regulations contained in 49 Code of Federal Regulations (CFR) Part 18 and the applicable grant agreement between the County and the FTA. The following provisions include, in part, certain standard terms and conditions required by the U.S. Department of Transportation, whether expressly set forth in the following Contract provisions. All Contractual provisions required by the U.S. Department of Transportation, as set forth in FTA Circular 4220.1E, dated June 19, 2003, are hereby incorporated by reference as are the requirements of the Master Agreement between King County and the U.S. Department of Transportation, including all "flow down" provisions to third party contractors, sub-contractors and or suppliers. Anything to the contrary herein notwithstanding, all FTA mandated terms shall be deemed to control in the event of a conflict with other provisions contained in this Contract. The Contractor agrees not to perform any act, fail to perform any act, or refuse to comply with any County requests that would cause the County to be in violation of the FTA terms and conditions.

### **4-1 Changes in Federal laws, Regulations, Policies and Administrative Practices**

New federal laws, regulations, policies and administrative practices may be established after the date this Contract is established and may apply to this Contract. To achieve compliance with changing federal requirements, the Contractor agrees to accept all changed requirements that apply to this Contract and require Subcontractors comply with revised requirements as well.

### **4-2 Federal Changes**

The Contractor agrees to comply with all applicable FTA regulations, policies, procedures and directives, including without limitation, those listed directly or by reference in the Master Agreement between the County and FTA, as they may be amended or promulgated from time to time during the term of this Contract. Contractor's failure to comply shall constitute a material breach of this Contract. 49 CFR Part 18.

### **4-3 No Federal Government Obligations to Third Parties**

The Contractor agrees that, notwithstanding any concurrence by the Federal Government in or approval of the solicitation or award of this Contract, absent the express written consent by the Federal Government, the Federal Government is not a party to this Contract and shall not be subject to any obligations or liabilities to the Contractor or any other party (whether or not a party to this Contract) pertaining to any matter resulting from this Contract.

The Contractor agrees to include the above clause in each subcontract financed in whole or in part with Federal assistance Provided by FTA. It is further agreed that the clause shall not be modified, except to identify the Subcontractor who shall be subject to its provisions.

### **4-4 Equal Employment Opportunity**

In connection with the execution of this Contract, the Contractor shall not discriminate against any employee or applicant for employment because of race, color, creed, sex, disability, age, or national origin. The Contractor shall take affirmative action to ensure that the hiring of applicants and treatment of employees during employment is conducted without regard to their race, color, creed, sex, disability, age, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. Contractor further agrees to insert a

similar provision in all subcontracts, except subcontracts for standard commercial supplies or raw materials.

The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be Provided by the contracting officer setting forth the provisions of this non-discrimination clause.

Authorities: Executive Order 11246, as amended by Executive Order 11375; Title VII of the Civil Rights Act, as amended, 42 USC § 2000e; Federal transit laws at 49 USC § 5332; section 4 of the Age Discrimination in Employment Act of 1967, as amended, 29 USC § 623; section 102 of the Americans with Disabilities Act, as amended, 42 USC §§ 12101 et seq.; 29 CFR Part 1630; 41 CFR § 60-1.4.

#### **4-5 Compliance With Section 504 Of The Rehabilitation Act**

Of 1973, As Amended And The American With Disabilities Act Of 1990

The Contractor shall ensure that no qualified individual with a disability shall, solely by reason of his or her disability, be excluded from the participation in, be denied the benefit of, or be subjected to discrimination in connection with this Contract. 42 USC § 12112; 29 CFR Part 1630.

The Contractor shall complete a Disability Self-Evaluation Questionnaire for all programs and services offered by the Contractor (including any services not subject to this Contract) and shall evaluate its services, programs and employment practices for compliance with Section 504 of the Rehabilitation Act of 1973, as amended ("504"), and the Americans with Disabilities Act of 1990 ("ADA"). The Contractor shall complete a 504/ADA Disability Assurance of Compliance and within ten days after the bidder receives written notice of selection, submit it to the County the final two pages of 504/ADA (where signatures are required). Such Assurance of Compliance will be incorporated herein by reference.

#### **4-6 Title VI Compliance**

The Contractor shall comply with and shall ensure the compliance by all Subcontractors under this Contract with all the requirements imposed by Title VI of the Civil Rights Act of 1964 (42 USC 2000d) and the regulations of the federal Department of Transportation, "Nondiscrimination in Federally-Assisted Programs of the Department of Transportation -- Effectuation of Title VI of the Civil Rights Act," 49 CFR Part 21, (hereinafter "Regulations") as they may be amended from time to time. The Federal Government and or the County has a right to seek judicial enforcement with regard to any matter arising under Title IV of the Civil Rights Act and implementing regulations. 49 CFR Part 21.19.

During the performance of this Contract, the Contractor, for itself, its assignees and successors-in-interest agrees as follows:

##### **A. Nondiscrimination**

The Contractor, with regard to the Work performed by it during the Contract, shall not discriminate on the grounds of race, color, creed, sex, disability, age or national origin in the selection and retention of Subcontractors, including procurements of materials and leases of equipment. The Contractor shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulations, including employment practices when the Contract covers a program set forth in Appendix B of the Regulations.

##### **B. Solicitations for Subcontracts, Including Procurements of Materials and Equipment**

In all solicitations either by competitive Proposal or negotiation made by the Contractor for Work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential Subcontractor or supplier shall be notified by the Contractor of the Contractor's obligations under this Contract and the regulations relative to nondiscrimination on the grounds of race, color, creed, sex, disability, age or national origin.

C. Information and Reports

The Contractor shall Provide all information and reports required by the regulations or directives issued pursuant thereto and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the County or the Federal Transit Administration (FTA) to be pertinent to ascertain compliance with such regulations, orders and instructions. The Contractor shall maintain all required records for a least three (3) years after the County makes final payment and all other pending matters are closed. Where any information is required and it is in the exclusive possession of another who fails or refuses to furnish this information, the Contractor shall so certify to the County or the Federal Transit Administration, as appropriate, and shall set forth efforts made to obtain the information.

D. Sanctions for Noncompliance

In the event of the Contractor's noncompliance with the nondiscrimination provisions of this Contract, the County shall impose such Contract sanctions as it or the FTA may determine to be appropriate, including, but not limited to:

1. Withholding of payments to the Contractor under the Contract until the Contractor complies, and/or,
2. Cancellation, termination or suspension of the Contract, in whole or in part.

E. Incorporation of Provisions

The Contractor shall include the provisions of paragraphs A through E of this section in every subcontract, including procurements of materials and leases of equipment, unless exempt by the regulations or directives issued pursuant thereto. The Contractor shall take such action with respect to any subcontract or procurement as the County or the FTA may direct as a means of enforcing such provisions, including sanctions for noncompliance. Provided, however, that, in the event the Contractor becomes involved in or is threatened with litigation with a Subcontractor or supplier as a result of such direction, the Contractor may request the County to enter into such litigation to protect the interests of the County, and in addition, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

In accordance with section 102 of the Americans with Disabilities Act, as amended, 42 U.S.C. § 12112, the Contractor shall comply with the requirements of U.S. Equal Employment Opportunity Commission, "Regulations to Implement the Equal Employment Provisions of the Americans with Disabilities Act," 29 C.F.R. Part 1630, pertaining to employment of persons with disabilities. In addition, the Contractor shall comply with any implementing requirements FTA may issue.

**4-7 Labor Provisions - Non-Construction Contracts**

A. Overtime Requirements

No Contractor or Subcontractor contracting for any part of the Contract Work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any Work week in which he or she is employed on such Work to Work in excess of forty (40) hours in such Work week unless such laborer or mechanic receives compensation at a rate not less than one and one-half (1.5) times the basic rate of pay for all hours worked in excess of forty (40) hours in such Work week. (29 CFR § 5.5(b)(1)).

B. Violation: Liability for Unpaid Wages: Liquidated Damages

In the event of any violation of the clause set forth in paragraph A of this section, the Contractor and any Subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such Contractor and Subcontractor shall be liable to the United States (in the case of Work done under Contract for the District of Columbia or a territory, to such district or to such territory) for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or

mechanic, including watchmen and guards, employed in violation of paragraph A of this section in the sum of ten (\$10) dollars for each calendar Day on which such individual was required or permitted to Work in excess of the standard Work week of forty (40) hours without payment of the overtime wages required by paragraph A of this section. (29 CFR § 5.5(b)(2)).

C. Withholding for Unpaid Wages and Liquidated Damages

The Department of Transportation or the County shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any monies payable on account of Work performed by the Contractor or Subcontractor under any such Contract or any other federal Contract with the same prime Contractor, or any other federally-assisted Contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime Contractor, such sums as may be determined to be necessary to satisfy any liabilities of such Contractor or Subcontractor for unpaid wages and liquidated damages as Provided in paragraph B of this section. (29 CFR § 5.5(b)(3)).

D. Payrolls and Basic Records

The Contractor or Subcontractor shall maintain payrolls and basic payroll records during the course of the Work and shall preserve them for a period of three (3) years from the completion of the Contract for all laborers and mechanics, including guards and watchmen, working on the Contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made and actual wages paid. Further, the records to be maintained under this paragraph shall be made available by the Contractor or Subcontractor for inspection, copying or transcription by authorized representatives of the Department of Transportation and the Department of Labor, and the Contractor or Subcontractor shall permit such representatives to interview employees during working hours on the job. (29 CFR § 5.5(c)).

E. Subcontracts

The Contractor or Subcontractor shall insert in any subcontracts the clauses set forth in paragraphs A through E of this section and also a clause requiring the Subcontractors to include these clauses in any lower tier subcontracts. The prime Contractor shall be responsible for compliance by any Subcontractor or lower tier Subcontractor with the clauses set forth in paragraphs A through E of this section. (29 CFR § 5.5(b)(4)).

**4-8 Cargo Preference - Use of U.S. Flag Vessels**

In the event that ocean shipment or international air transportation is required for any equipment, material or commodities pursuant to this Contract, the Contractor shall:

- A. Utilize privately owned United States flag commercial vessels to ship at least fifty (50%) percent of the gross tonnage involved, computed separately for dry bulk carriers, dry cargo liners and tankers, whenever shipping any equipment, materials or commodities pursuant to this Contract, to the extent such vessels are available at fair and reasonable rates for United States flag commercial vessels.
- B. Furnish within twenty (20) working Days following the date of loading for shipments originating within the United States, or within thirty (30) working Days following the date of loading for shipment originating outside the United States, a legible copy of a rated, "on-board" commercial ocean bill-of-lading in English for each shipment of cargo described in paragraph A of this section, to the County, through the prime Contractor in the case of Subcontractor bills-of-lading, and to the Division of National Cargo, Office of Market Development, Maritime Administration, Washington, DC 20590, marked with appropriate identification of the project.

- C. Insert the substance of the provisions of this section in all subcontracts issued pursuant to this Contract when the subcontract may involve the transport of equipment, material, or commodities by ocean vessel.

46 USC § 1241; 46 CFR Part 381.

#### **4-9 Fly America**

The Contractor agrees to utilize United States flag air carriers to the extent such carriers Provide the air transportation needed, or accomplish the Contractor's mission. The Contractor agrees to utilize United States flag air carriers even though comparable or a different kind of service can be Provided at less cost by a foreign air carrier, a foreign air carrier can be paid for in excess foreign currency, unless Unites States flag air carriers decline to accept excess or near excess foreign currencies for transportation payable only out of those monies. The Contractor shall submit, if a foreign air carrier was used, an appropriate certification or memorandum adequately explaining why service with a U.S. flag air carrier was not available or why it was necessary to use a foreign carrier and shall, in any event, provide a certificate of compliance with the Fly America requirements. The Contractor agrees to include the requirements of this section in all subcontracts that may involve international air transportation. 49 USC § 40118; 41 CFR Part 301-310.

#### **4-10 Audit and Inspection of Records**

In the case of all negotiated contracts and contracts for construction, reconstruction or improvement of facilities and equipment, which were entered into under other than competitive Proposal procedures, Contractor agrees that the County, the Comptroller General of the United States or any of their duly authorized representatives, shall, for the purpose of audit and examination be permitted to inspect all Work, materials, payrolls, and other data and records with regard to the project, and to audit the books, records and accounts with regard to the project. Further, Contractor agrees to maintain all required records for at least three (3) years after the County makes final payment and all other pending matters are closed.

#### **4-11 FTA Protest Procedures**

Contractors are hereby notified that if this Contract is funded in whole or in part by the Federal Department of Transportation, the Federal Transit Administration (FTA) may entertain a protest that alleges that the County failed to have or follow written protest procedures. Proposers shall file a protest with the FTA not later than 5 working Days after the County renders a final decision or 5 working Days after the Contractor knows or has reason to know that the County has failed to render a final decision. The protesting party shall notify the County if it has filed a protest with the FTA. After 5 Days, the County shall confirm with FTA that FTA has not received a protest. Protests to the FTA shall be filed in accordance with FTA Circular 4220.1E (as periodically Updated).

The County shall not award a Contract for 5 working Days following its decision on a Proposal protest or while a protest to the FTA is pending unless the County determines that: (1) the items to be procured are urgently required; (2) delivery of performance shall be unduly delayed by failure to make the award promptly; or (3) failure to make prompt award shall otherwise cause undue harm to the County or the Federal Government.

#### **4-12 Privacy**

Should the Contractor, or any of its Subcontractors, or their employees administer any system of records on behalf of the Federal Government, the Privacy Act of 1974, 5 USC § 552a, imposes information restrictions on the party administering the system of records.



For purposes of the Privacy Act, when the Agreement involves the operation of a system of records on individuals to accomplish a government function, the recipient and any contractors, third party contractors, Subcontractors and their employees involved therein are considered to be government employees with respect to the government function. The requirements of the Act, including the civil and criminal penalties for violations of the Act, apply to those individuals involved. Failure to comply with the terms of the Act or this provision of this Contract shall make this Contract subject to termination.

The Contractor agrees to include this clause in all subcontracts awarded under this Contract that involve the design, development, operation, or maintenance of any system of records on individuals subject to the Act.

#### **4-13 Access Requirements for Individuals with Disabilities**

The County and contractors are required to comply with all applicable requirements of the Americans with Disabilities Act of 1990 (ADA), 42 USC §§ 12101, *et seq.*; Section 504 of the Rehabilitation Act of 1973, as amended, 29 USC § 794; and 49 USC § 5301(d), and the following regulations and any amendments thereto:

- A. U.S. Department of Transportation regulations, "Transportation Services for Individuals with Disabilities (ADA)," 49 CFR Part 37;
- B. U.S. Department of Transportation regulations, "Nondiscrimination on the Basis of Disability in Programs and Activities receiving from Federal Financial Assistance," 49 CFR Part 27;
- C. U.S. Department of Transportation regulations, "Americans With Disabilities (ADA) Accessibility Specifications for Transportation Vehicles," 49 CFR Part 38;
- D. U.S. Department of Justice (DOJ) regulations, "Nondiscrimination on the Basis of Disability in State and Local Government Services," 28 CFR Part 35;
- E. U.S. Department of Justice regulations, "Nondiscrimination on the Basis of Disability by Public Accommodations and in Commercial Facilities," 28 CFR Part 36;
- F. U.S. General Services Administration regulations, "Construction and Alteration of Public Buildings," 41 CFR Subpart 101-19;
- G. U.S. Equal Employment Opportunity Commission (EEOC) "Regulations to Implement the Equal Employment Provisions of the Americans with Disabilities Act," 29 CFR Part 1630;
- H. U.S. Federal Communications Commission regulations, "Telecommunications Relay Services and Related Customer Premises Equipment for the Hearing and Speech Disabled," 47 CFR Part 64, Subpart F; and
- I. FTA regulations, "Transportation for Elderly and Handicapped Persons," 49 CFR Part 609.

#### **4-14 Interest of Members of or Delegates of Congress**

Pursuant to 41 USC § 22, no member of or delegate to the Congress of the United States shall be admitted to any share or part of this Contract or to any benefit arising therefrom.

#### **4-15 Certification Regarding Debarment, Suspension and Other Responsibility Matters**

**By signing and submitting this Contract, the Contractor, is providing the signed certification set out below.**

The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the Contractor knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government and County, may pursue available remedies, including suspension and/or debarment.

The Contractor shall provide immediate written notice to County if at any time the Contractor learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "persons," "lower tier covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549 [49 CFR Part 29]. You may contact County for assistance in obtaining a copy of those regulations.

The Contractor agrees by signing this Contract, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized in writing by the County.

The Contractor further agrees by signing this Contract that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transaction", without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List issued by U.S. General Service Administration.

Nothing contained in the foregoing shall be construed to require establishment of system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

Except for transactions authorized under Paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to all remedies available to the Federal Government, County may pursue available remedies including suspension and/or debarment. 49 CFR Part 29.

#### **4-16 Subcontractors' Certification Regarding Debarment, Suspension or Ineligibility**

By submitting a Proposal for this Contract, the Contractor agrees that it shall not knowingly enter into any subcontract exceeding \$100,000 with an entity or Person who is debarred, suspended, or who has been declared ineligible from obtaining federal assistance funds; and shall require each Subcontractor to complete the certification Provided in Attachment L.

Each subcontract, regardless of tier, shall contain a provision that the Subcontractor shall not knowingly enter into any lower tier subcontract with a Person or entity who is debarred, suspended or declared ineligible from obtaining federal assistance funds, and a provision requiring each lower-tiered Subcontractor to Provide the certification set forth in Attachment L.

The Contractor shall require each Subcontractor, regardless of tier, to immediately Provide written notice to the Contractor if at any time the Subcontractor learns that its, or a lower-tier certification was erroneous when submitted or has become erroneous by reason of changed circumstances. The Contractor may rely upon the certifications of the Subcontractors unless it knows that a certification is erroneous. The Contractor's knowledge and information regarding any Subcontractor is not required to exceed that which is normally possessed by a prudent Person in the ordinary course of business.

#### **4-17 Disclosure of Lobbying Activities**

Proposals in excess of \$100,000 require Attachment I, "Certification Regarding Lobbying," and Attachment J, "Disclosure of Lobbying Activities" (if appropriate), be completed and submitted to the County with the Proposal, as required by 49 CFR Part 20, "New Restrictions on Lobbying."

The Contractor certifies that it shall not and has not used Federal appropriated funds to pay any Person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal Contract, grant or any other award covered by the Byrd Anti-Lobbying Amendment, 31 USC § 1352. The Contractor shall disclose the name of any registrant under the Lobbying Disclosure Act of 1995, codified at 2 USC § 1601 *et seq.*, who has made lobbying contacts on its behalf with non-Federal funds with respect to that Federal Contract, grant or award covered by 31 USC § 1352. Such disclosures are to be forwarded to the County.

The Contractor shall include the language of this certification in all subcontract awards at any tier and require that all recipients of subcontract awards in excess of \$100,000 shall certify and disclose accordingly.

#### **4-18 Anti-Kickback**

The County and contractors are required to comply with the Anti-Kickback Act of 1986, 41 USC §§ 51 *et seq.* Under state and federal law, it is a violation for County employees, Proposers, contractors or Subcontractors to accept or offer any money or benefit as a reward for favorable treatment in connection with the award of a Contract or the purchase of goods or Services.

"Kickback" as defined by Federal Acquisition Regulation (FAR) 52.203-7, and 41 USC § 52(2), means any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind that is Provided directly or indirectly to any prime Contractor, prime Contractor employee, Subcontractor or Subcontractor employee for the purpose of improperly obtaining or rewarding favorable treatment in connection with a prime Contract or in connection with a subcontract relating to a prime Contract.

#### **4-19 False or Fraudulent Statements or Claims**

The Contractor acknowledges that if it makes a false, fictitious, or fraudulent claim, statement, submission, or certification to the County in connection with this project, the County reserves the right to pursue the procedures and impose on the recipient the penalties of 18 USC § 1001, 31 USC §§ 3729 and 3801 *et seq.*, and/or 49 USC § 5307(n)(1), as may be appropriate. The terms of Department of Transportation regulations, "Program Fraud Civil Remedies," 49 CFR Part 31, are applicable to this project.

The Contractor agrees to include this clause in all subcontracts awarded under this Contract.

#### **4-20 Conservation**

The Contractor agrees to comply with mandatory standards and policies relating to energy efficiency that are contained in the State Energy Conservation plan issued in compliance with the Energy Policy and Conservation Act, 42 USC §§ 6321 *et seq.*, and 49 CFR Part 18.

The Contractor agrees to include this clause in all subcontracts awarded under this Contract.

#### **4-21 Air Pollution**

The Contractor and suppliers may be required to submit evidence to the Project Manager that the governing air pollution criteria shall be met. This evidence and related documents shall be retained by the manager for on-site examination by FTA.

#### 4-22 Environmental Requirements

The Contractor agrees to comply with all applicable standards, orders or requirements as follows:

A. Environmental Protection

The Contractor agrees to comply with the applicable requirements of the National Environmental Policy Act of 1969, as amended, 42 USC §§ 4321, *et seq.*, consistent with Executive Order No. 11514, as amended, "Protection and Enhancement of Environmental Quality," 42 USC § 4321 note. FTA statutory requirements on environmental matters at 49 USC § 5324(b); Council on Environmental Quality regulations on compliance with the National Environmental Policy Act of 1969, as amended, 42 USC § 4321 *et seq.* and 40 CFR Part 1500, *et seq.*; and joint FHWA/FTA regulations, "Environmental Impact and Related Procedures," 23 CFR Part 771 and 49 CFR Part 622.

B. Air Quality

The Contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to section 306 of the Clean Air Act, as amended, 42 USC §§ 7401, 7414, *et seq.* The Contractor agrees to report each violation to the County and understands and agrees that the County shall, in turn, report each violation as required to assure notification to FTA and the appropriate Environmental Protection Agency (EPA) Regional Office.

The Contractor agrees to include this clause in each subcontract exceeding \$100,000 financed in whole or in part with Federal assistance Provided by FTA.

C. Clean Water

The Contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 USC §§ 1251, 1368, *et seq.* The Contractor agrees to report each violation to the County and understands and agrees that the County shall, in turn, report each violation as required to assure notification to FTA and the appropriate Environmental Protection Agency (EPA) Regional Office.

The Contractor agrees to protect underground sources of drinking water consistent with the provisions of the Safe Drinking Water Act of 1974, as amended, 42 USC §§ 300h *et seq.*

The Contractor agrees to include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with Federal assistance Provided by FTA.

D. Use of Public Lands

The Contractor agrees that no publicly owned land from a park, recreation area, or wildlife or waterfowl refuge of national, state, or local significance as determined by the federal, state or local officials having jurisdiction thereof, or any land from a historic site of national, state, or local significance may be used for the Project unless the FTA makes the specific findings required by 49 USC § 303.

E. Historic Preservation

The Contractor agrees to assist the Federal Government in complying with section 106 of the National Historic Preservation Act, as amended, 16 USC § 470f, Executive Order No. 11593, "Protection and Enhancement of the Cultural Environment," 16 USC § 470 note, and the Archaeological and Historic Preservation Act of 1974, as amended, 16 USC §§ 469a-1 *et seq.* involving historic and archaeological preservation as follows:

1. The Contractor agrees to consult with the State Historic Preservation Officer about investigations to identify properties and resources listed in or eligible for inclusion in the National Register of Historic Places that may be affected by the Project, in accordance with

Advisory Council on Historic Preservation regulations, "Protection of Historic and Cultural Properties," 36 CFR Part 800, and notifying FTA of those properties so affected.

2. The Contractor agrees to comply with all federal requirements to avoid or mitigate adverse effects on those historic properties.

F. Mitigation of Adverse Environmental Effects

The Contractor agrees that if the Project should cause adverse environmental effects, the Contractor shall take all reasonable steps to minimize those effects in accordance with 49 USC § 5324(b), and all other applicable federal laws and regulations, specifically, the procedures of 23 CFR Part 771 and 49 CFR Part 622.

G. Energy Conservation

The Contractor agrees to comply with the mandatory energy efficiency standards and policies within the applicable state energy conservation plans issued in compliance with the Energy Policy and Conservation Act, 42 USC §§ 6321, *et seq.*

**4-23 Preference for Recycled Products**

To the extent practicable and economically feasible, the Contractor agrees to Provide a competitive preference for products and Services that conserve natural resources and protect the environment and are energy efficient. Examples of such products may include, but are not limited to, products described in the United States EPA Guidelines at 40 CFR Part 247, implementing section 6002 of the Resource Conservation and Recovery Act, as amended, 42 USC § 6962, and Executive Order 12873.

**4-24 Termination Provisions Required**

All contracts and subcontracts in excess of \$10,000 shall contain contractual provisions or conditions that allow for termination for cause and convenience by the County including the manner by which it shall be effected and the basis for settlement.

(Required by FTA Circular 4220.1E § 15.b.).

**4-25 Breach Provisions Required**

All contracts in excess of \$100,000 shall contain contractual provisions or conditions that shall allow for administrative, contractual, or legal remedies in instances where the Contractor violates or breaches the terms of this Contract, including sanctions and penalties as may be appropriate. The Contractor agrees to include this provisional requirement in all subcontracts in excess of \$100,000 awarded under this Contract. (Required by FTA Circular 4220.1E, § 15.a.).

## SECTION 5 - SCOPE OF WORK

### 5-1 Background and Introduction

The purpose of this RFP is to select **one** third party vendor to provide best-in-class administrative services for the County's **COBRA, Retiree Medical Plan and Flexible Spending Account (FSA) Third-party Administration program**. The effective date for these programs will be January 1, 2007.

King County is a public entity encompassing Seattle, Bellevue, and a number of smaller suburban cities. The County provides regional services including courts and related legal services, public health services, the County jail, records and elections, property tax appraisals, regional parks and facilities including King County International Airport (Boeing Field), public transit and sewage disposal. In unincorporated communities, King County also provides police protection, animal control, land-use regulation, roads and local parks.

The County has 13,000 benefits-eligible employees, with an additional 25,000 covered family members. Average employee age is a little over 48. The County is highly unionized (87 percent) and has 92 separate bargaining units. Benefits are bargained in coalition in three-year cycles through the Joint Labor Management Insurance Committee.

The County has two sets of benefits plans—one that applies to all employees except the King County Police Officers Guild, and a different set of benefit plans for the Guild. The County is seeking COBRA and Retiree Medical administrative services for both sets of plans.

Currently, King County active employees and pre-65 retirees (excluding the Deputy Sheriffs group) can select from among three medical plans:

- KingCaresm Preferred - Self-funded through Aetna - \$100 deductible PPO plan (80% of enrollment)
- KingCaresm Basic - Self-funded through Aetna \$500 deductible PPO plan (1% of enrollment)
- Fully-insured HMO plan through Group Health Cooperative (19% of enrollment)

King County does not require active employees to contribute to premium costs for coverage for themselves or family members.

The King County Police Officers Guild (KCPOG) currently has three fully insured plans, a PPO (Regence) and two HMO (PacifiCare and Group Health) options. This RFP includes administrative services for both options.

Starting in 2007, the County will make major changes in its health care benefits plans that will apply to all employees except the King County Police Officers Guild. The new program is called Healthy Incentives<sup>sm</sup>, and it is a key element in a much larger King County Health Reform Initiative.

Under the new Healthy Incentives<sup>sm</sup> program, King County will offer a PPO and an HMO plan, each with three variations. All three variations in each plan cover the same services and benefits; however, the three variations have three different levels of out-of-pocket expenses for employees. These variations are referred to as the “bronze,” “silver” and “gold” out-of-pocket expense levels. The bronze level has the highest deductibles, coinsurance and copays; gold has the lowest. Silver is halfway in between gold and bronze. The current KingCare Preferred plan is replaced by the “gold” out-of-pocket level PPO offering, the current KingCare Basic is replaced by the “bronze” out-of-pocket level PPO plan, and the “silver” level of the PPO plan is in-between. Placement in each tier of the benefit plan is determined by a wellness assessment program. Employees and their spouses/domestic partners who participate in the Health Risk Assessment will be eligible for the silver level of out-of-pocket expenses; those who take the Health Risk Assessment and complete an individual action plan will be eligible for the gold level. Participation is strictly voluntary; however, employees and spouse/partners who do not participate in the Health Risk

Assessment will automatically earn the bronze out-of-pocket level. Active employees choose their tier by choosing to participate in the wellness assessment.

Employees, who leave King County and are eligible for COBRA or the Retiree Medical Plan, will be allowed to continue in the same benefit plan as well as continue their participation in the individual action plan through the wellness assessment vendor, for the remainder of the plan year. At open enrollment, COBRA and Retiree Medical participants, will have an expanded set of premium options and will be allowed to choose any plan and any out-of-pocket expense level. Unlike active employees, tier placement is not dependent on participation in the wellness assessment. Participation is optional and will not determine tier placement. In order to participate in the wellness assessment and individual action plan, the COBRA or Retiree Medical Plan participants will need to enroll in the program and pay an additional upfront fee. The COBRA/Retiree Medical Plan vendor will be required to collect that fee and notify the wellness assessment/individual action plan vendor of the enrollment. Notification will occur with an interface to the wellness assessment vendor.

The Contractor shall be responsible for performing the Work described in the Scope of Work. Each written deliverable shall require an acceptable preliminary draft to precede Acceptance of deliverable and work completion.

## **5-2 Proposal Objectives and Specifications**

### **A. Objectives**

The County understands the critical role of, and relationship with, its vendor partners in the successful pursuit of its goals. To that end the County is seeking competitive bids from vendors who shall:

- Reduce King County administrative work;
- Provide competitive costs and administrative services;
- Demonstrate their willingness and capabilities to provide and embrace innovative processes and solutions;
- Provide customer service and support to County participants; and
- Be able to collect premiums on behalf of King County and interface with county vendors where applicable.

### **B. Proposal Specifications**

King County is requiring vendor's commitment to the proposal specifications outlined in the questionnaire in order to have a proposal evaluated.

## **5-3 Plan Design Summaries**

Personal Choice Account<sup>®</sup> through Regence Life and Health Insurance Company is the current provider. Please reference the chart in Appendix A as well as the appendixes for our plan booklets and guides.

## SECTION 6 - - PROPOSAL QUESTIONS

### 6-1 General

This section contains the Proposal questions to be addressed by Proposers. Proposals shall address the questions in the order presented, identifying the proposal questions by including the number and corresponding question with your answer. Proposals need to be specific, detailed and straightforward using clear, concise, and easily understood language.

Proposers answering the proposal questions shall examine the entire Request for Proposal document including the instructions, terms and conditions, specifications and applicable standards and regulations. Failure to do so shall be at the Proposers' risk. Section 6 and the associated files are available as Word documents or Excel spreadsheets as appropriate via email from Ovita Bonadie ([ovita.bonadie@metrokc.gov](mailto:ovita.bonadie@metrokc.gov)) at King County Purchasing.

Tabs within each 3-ring binder must match headings in this proposal per Part A Section 1.14. Documents included on the CD need to be in Microsoft Word or Excel format, with the following names:

- Executive Summary.doc
- Questionnaire.doc

You will be instructed to provide sample communication materials in the questionnaire. They should be provided in clear plastic sleeves in each 3-ring binder under Tab 5.

To assist you in your proposal, the following information is provided as appendices. A CD is available upon request. Contact Ovita Bonadie, at 206-684-1055 or by email [ovita.bonadie@metrokc.gov](mailto:ovita.bonadie@metrokc.gov).

**Note: For details of “B” and “C”, refer to its hyperlinked “Description” information.**

Appendix	Description
A	<a href="#">Census Data</a>
B	<b>COBRA/Retiree Medical Plan:</b> <ul style="list-style-type: none"><li>• <a href="#">B-1 Employee Exit Guide</a> (PDF 218KB)</li><li>• <a href="#">B-2 Your COBRA Continuation of Coverage Rights</a> (PDF 94KB)</li><li>• <a href="#">B-3 Your King County Benefits: Booklet 1, Important Facts</a> (PDF 376KB)</li><li>• <a href="#">B-4 2006 Summary of Material Modification</a> (PDF 420KB)</li><li>• <a href="#">B-5 Deputy Sheriff Your King County Benefits: Deputy Sheriff Booklet 1, Important Facts</a> (PDF 363KB)</li><li>• <a href="#">B-6 Deputy Sheriff 2006 Summary of Material Modification</a> (PDF 343KB)</li></ul>
C	<b>Flexible Spending Account:</b> <ul style="list-style-type: none"><li>• <a href="#">C-1 FSA Guide</a> (PDF 259KB)</li><li>• <a href="#">C-2 Employee Exit Guide</a> (PDF 320KB)</li><li>• <a href="#">C-3 Booklet 9, Flexible Spending Accounts</a> - from Your King County Benefits for regular employees(PDF 179KB)</li><li>• <a href="#">C-4 2006 Summary of Material Modification</a> -regular employees (PDF 420KB)</li><li>• <a href="#">C-5 Deputy Sheriff Booklet 8, Flexible Spending Accounts</a> - from Deputy Sheriff Your King County Benefits (PDF 192KB)</li><li>• <a href="#">C-6 Deputy Sheriff 2006 Summary of Material Modification</a> (PDF 343KB))</li></ul>
D	<a href="#">King County Business Associate Agreement</a> . (PDF 46KB)



## 6-2 Proposal Specifications and Questions

The following section applies to **COBRA, Retiree Medical Plan and Flexible Spending Account (FSA) administrative services**. If your response varies by type of service, provide multiple responses and indicate to which coverage the response is applicable.

### 6-2.1 General Company Information

1. King County is requiring vendor's commitment to the proposal specifications in order to have a proposal evaluated. Please confirm your ability to meet each of the Proposal Specifications listed below by placing a yes or no in the column and indicate any deviations.

General Proposal Specifications	Yes/No
a. Comply with all applicable local, state, and federal laws and the regulations there under.	
b. Be properly licensed, certified, or credentialed to operate in the state of Washington.	
c. Agree to hold King County and its employees and constituents harmless under any potential contract with King County.	
d. Notify the King County Contract Manager within 30 days of purchase, acquisition, and any other change in its ownership or partners or control affecting 10 percent or greater interest, any acquisition by it of 10 percent or greater interest in any subsidiary, and any new agreement with, by, or between any affiliates that is relevant to the contract.	
e. Agree that all financial payments due to King County (e.g., COBRA/Retiree Medical Plan premiums for self funded plans, FSA forfeitures, missed Performance Guarantees, etc.) must be reconciled and paid via check directly to King County.	
f. Agree that the response to this RFP and any subsequent documentation (best and final offer, finalist presentation, or memo) shall be considered part of the final agreement and contract.	

2. Provide the complete name, address and federal tax identification number of the organization with whom the proposed contract would be written. Indicate how many years the organization has been providing the proposed services.
3. Provide the name of the primary contact for your organization that will be readily available to answer questions on the Proposal, as well as their title, address, email address, phone number and fax.
4. Explain the organization's ownership structure, listing all separate legal entities and their relationship within the structure. Describe all major shareholders/owners (10% or greater ownership), and list their percentage of total ownership.
5. Identify any third party vendor(s) that you contract with in order to fulfill our requirements.
6. Identify if you outsource work to foreign countries. If yes, where? What type of data is sent? Explain how data security is maintained and tell us how you ensure data security policies are followed and enforced.

**Note:** If this changes in the future, if you do not currently use outsourcing, but do so at any point after you have entered into a contract with King County, then King County must be notified of the change. King County must have the option of 1) assessing the extent and method of securing King County's data and/or 2) Terminating the contract if it is determined that our members privacy would

be at risk and/or the county determines outsourcing to foreign countries violates its public policy provision.

7. Describe recent (within last 24 months) or planned changes in your organization such as mergers, stock issues, acquisitions, spin-offs, etc.
8. Are your employees bonded? Yes\_\_\_\_\_ No\_\_\_\_\_
9. Are there any restrictions or pending reviews by state or federal authorities for non-compliance with state or federal regulations? Yes\_\_\_\_\_ No\_\_\_\_\_ If yes, please provide the details for the past 3 years including outcome.
10. Describe involvement in any lawsuit in the last 5 years. Specifically identify any lawsuits that are currently in litigation, and/or class action lawsuits.
11. Has anyone in your organization been banned from acting as a plan fiduciary? Yes\_\_\_ No\_\_\_\_\_ If yes, please explain.
12. Using the table below, provide at least three references of current accounts with over 10,000 employees that are similar to King County in industry and demographics. These references should have more than one year of experience with the proposed account management team, if possible. Separate references should be provided for each coverage or combined if applicable.

	<b>COBRA</b>	<b>Retiree Medical Plan</b>	<b>FSA</b>
Client name			
Service provided by your company for this client			
Length of relationship			
Contact name			
Phone number and email address			
# of enrollees			
Number of eligible employees	N/A	N/A	
% of total members enrolled	N/A	N/A	

13. Provide a list of two recently terminated clients (terminated for reason and within the last three years) that we may contact for a reference. For each reference, please include:

	<b>COBRA</b>	<b>Retiree Medical Plan</b>	<b>FSA</b>
Client name			
Service provided by your company for this client			
Length of relationship			
Contact name			
Phone number and email address			
# of enrollees			
Number of eligible employees	N/A	N/A	
% of total members enrolled	N/A	N/A	

14. Disclose any potential conflicts of interest in managing the King County benefits.

15. It is anticipated that the selected providers will be required to participate in benefit fairs. Indicate your willingness to support this and any upper limit on the number of benefits fairs you will attend annually. Yes\_\_\_ No\_\_\_ Limit to number of benefit fairs \_\_\_\_\_
16. Describe your organization's disaster recovery plan.
17. Describe any other administrative services your organization can perform which will reduce the County's administrative work. Be sure to identify if there are any additional fees.
18. List three key points that differentiate your organization from your competitors and make your firm uniquely suited to fulfilling King County's needs. Please provide specific examples in your description.

## 6-2.2 Account Management

19. King County is requiring vendor's commitment to the proposal specifications in order to have a proposal evaluated. Please confirm your ability to meet each of the Proposal Specifications listed below by placing a yes or no in the column and indicate any deviations.

Account Management Proposal Specifications	Yes/No
a. Provide a designated and responsive account management team. The assigned account management team must have accountability and authority to respond and resolve inquiries, requests, and issues raised by King County to assure compliance and overall service quality.	
b. The assigned account management team must be available from at least 8 am to 5 pm Pacific Time (PST).	
c. FSA only: Assigned account management team must agree to review and approve King County's SPD and SMM for accuracy as part of the basic costs.	

20. Provide an organizational chart for the account service team proposed for King County with name, title/responsibility, office location, education, experience, years with company, years in current position, and number of current clients of each account service team member. At a minimum, the proposed account team should consist of the following personnel:
  - a. Account Director (responsible for relationship with King County)
  - b. Account Manager (responsible for daily account issues)
  - c. Implementation Manager (if applicable)
21. Identify which team member would be responsible for day-to-day account issues and communication with King County staff. Please confirm that this person will respond to all account inquiries from King County staff within one business day. If this individual is unavailable to respond, describe the process for escalating or delegating this responsibility to another account team member as well as the means by which King County staff will be notified of the covering team member.
22. Provide the location, size and main operating hours of the center that will service the King County account.
23. Will King County's account be handled by a dedicated unit of service representatives? If yes, please define dedicated. Yes\_\_\_ No\_\_\_ Isn't this asking the same as 19 (a) above in the box?
24. If awarded a contract with King County, indicate your willingness to offer a key personnel clause, which would require a minimum of 60 days advance notice of any changes to the proposed account management team (when possible), and a clause that would allow King County the right to refuse

any proposed account management team changes. Note: Reasonable exceptions would apply in situations beyond the vendor's control (i.e., resignation/termination with less than 60 day notice).  
Yes\_\_\_\_\_ No\_\_\_\_\_

25. Confirm your willingness to meet with King County staff semi-annually to review plan performance and utilization trends and that these reviews will be conducted on-site in King County offices at no additional cost. Yes\_\_\_\_\_ No\_\_\_\_\_
26. King County wants to ensure that your organization has a process in place to manage program changes and updates that occur after the effective date. Briefly describe how the account team approaches change requests, ensures accurate implementation, and completes post-implementation follow-up.

### 6-2.3 Implementation

27. King County is requiring vendor's commitment to the proposal specifications in order to have a proposal evaluated. Please confirm your ability to meet each of the Proposal Specifications listed below by placing a yes or no in the column and indicate any deviations.

Implementation Proposal Specifications	Yes/No
a. Assign a designated transition team that will manage a smooth transition process from the current vendor (if applicable).	
b. Load historical data to pre-test system prior to implementation.	
c. Confirm you will provide an administrative guide outlining all processes and requirements for interface with the County and other vendors after implementation is complete. The administrative guide should include the information necessary for King County benefits team to operate the plan and shall be in a mutually agreed upon format and provided at no additional cost to King County. The manual should include, but not be limited to, the following information: account management structure and contact information, process for handling questions and escalation process, file exchanges, eligibility processes and timeframes, benefit limits, appeals process, forms description or definition of forms and on-line location, coordination of benefit process, etc. Please note that during finalist meetings, you will be asked to provide samples of administrative manuals you have prepared for other clients.	
d. Offer a separate, one-time, Implementation Performance Guarantee that incorporates a minimum of four mutually accepted key milestones that ensure an accurate and timely implementation.	

28. For the County's program that will be effective on January 1, 2007, please provide a detailed implementation plan regarding critical tasks, timeframes and resources based on the proposed King County programs beginning with the contract being awarded on July 1, 2006 and an effective date of January 1, 2007. Please include:
  - a. The role King County will play during implementation
  - b. The roles and responsibilities of your implementation team including the number of implementations the main project manager has managed and the size of each account.
  - c. The process for the exchange of data for eligibility feed from King County, from the COBRA/Retiree Medical Plan vendor, and King County's benefit vendors  
(Refer to [Exhibit 1](#)).

- d. A testing plan between King County, from the COBRA, Retiree Medical Plan and FSA vendor, and King County's benefit vendors.
- e. Contacts assigned to each step of the implementation process.
- f. Production and distribution of enrollment materials.
- g. A Gantt chart or similar tool to indicate the number of person-hours allocated to each task and the estimated resources incorporating the dates and activities listed below as required milestones.

July 10, 2006	Establish implementation teams and schedule
July – December 2006	Implementation meetings with King County and vendor staff
July – September 2006	Testing and redevelopment; King County data to and from
September 30, 2006	Final testing of eligibility files
November 13 – November 30	Vendor conducts open enrollment for COBRA/Retirees
December 4 – 8, 2006	Vendor sends final COBRA/Retiree Medical Plan eligibility file to medical, Rx, MTMS <sup>1</sup> , dental, and vision vendors
January 1, 2007	King County benefit plans goes live

- 29. Confirm your willingness to conduct weekly updates during the implementation process and to accept King County modifications to the implementation plan. Yes\_\_\_ No\_\_\_
- 30. **FSA Only:** Indicate how your organization intends to ensure that eligibility is properly loaded prior to January 1, 2007 effective date for FSA participants. Please note King County will send the final FSA eligibility file during the week of 12/18/2006.
- 31. Detail any concerns you have with the implementation schedule. Provide information on your proposed plan to manage the process, including quality assurance reviews and provision of eligibility discrepancy or error reports.
- 32. Confirm your willingness to fund a readiness audit and/or post-implementation audit upon King County request. Detail any implementation audit conditions or restrictions, including auditor selection and total funding. Yes\_ No\_\_\_

#### 6-2.4 Member Services

- 33. King County is requiring vendor's commitment to the proposal specifications in order to have a proposal evaluated. Please confirm your ability to meet each of the Proposal Specifications listed below by placing a yes or no in the column and indicate any deviations.

Member Services Proposal Specifications	Yes/No
a. Provide customized member communications, approved by King County, that include, but are not limited to brochures and bulletins.	
b. Provide customer service activities that include, but are not limited to single toll-free number with touch tone routing for King County members and vendors; a voice response system (if necessary) with a user-friendly menu and alternative language options, and system availability 24 hours a day/7 days a week/365 days a year.	

<sup>1</sup> Medication Therapy Management Services – a new third-party vendor to be announced

c. <b>FSA only:</b> Provide on-line member service capabilities that include, but are not limited to, electronic access for account history, claims and year to date status, and program information.	
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34. Describe your procedures for assuring that a participant was mailed a COBRA notice. What proof of mailing do you retain?
35. **FSA only:** The County produces their summary plan descriptions (SPDs) and summaries of material modifications (SMMs). Confirm that you will reimburse King County for the proportional costs associated with producing their SPDs and SMMs. Those costs include developmental (i.e., County staff time to develop), printing and shipping costs. Please provide a communication budget that the County can use for their SPDs and SMMs over the course of a 3- year contract. Yes \_ No\_\_\_\_
36. What is your web-site address?
37. Describe participant communication capabilities and provide samples of the following:
- Specific materials to ensure a successful implementation
  - Standard enrollment kit (including mail order materials)
  - Additional communications materials available at no charge
38. Provide the location, size and main operating hours of the member service center that will service the King County account.
39. Discuss your willingness to provide a designated customer service team to King County, including the percentage of member calls that would be handled by the designated team and the call routing procedures. Provide a brief description of your staffing and training plans.
40. What is the ratio of members to customer service representatives for the location and team you are proposing?
41. Are customer service calls monitored for quality assurance purposes? Yes\_\_\_\_ No\_\_\_\_ If yes, please indicate how the calls are monitored – check all that apply.

Type of Monitoring	Yes/No
Two-way silent monitoring ( <i>able to hear both sides of the conversation without the counselor knowing the call is being monitored</i> )	
One-way monitoring ( <i>only able to hear counselor</i> )	
Side-by-side monitoring of the <i>counselor</i> at their workstation	
Taped calls	

42. Is there an announcement advising the member of this monitoring? Yes\_\_\_\_ No \_\_\_\_
43. Do you have special services for hearing impaired, visually impaired and non-English speaking customers? Yes\_ No\_\_\_\_ If yes, please describe including telephonic customer service and member online services. If no, do you have the ability to add these services? Yes\_\_\_\_ No\_\_\_\_
44. Is there an interactive voice response (IVR) system in place? Yes\_\_\_\_ No\_\_\_\_. If yes, is there an opt-out to a “live” representative at every step in the protocol? Yes\_\_\_\_ No\_\_\_\_

45. For the office that will handle King County's account, please provide the following service statistics:

Service Statistics	Standard	2004	2005
Telephone average speed of answer			
Percentage of calls abandoned			
Average waiting time			
Average call time			
Average time for problem resolution from initial notification			
Percentage of problems resolved during first call/contact (member does not need to call back)			

46. What was the turnover percentage among customer service representatives (CSRs) over the past 12 months?

47. Discuss your organizations process for tracking member issues/complaints/grievances from initial call to resolution.

a. Describe automated tools that assist with this tracking process.

b. Confirm if CSRs will have electronic access to King County's SPDs. Yes\_ No\_\_\_

48. **FSA only:** Complete the following table indicating the on-line tools currently available:

Member On-Line Self-Service Capabilities	Currently Yes/No	Comments
File a claim		
Download printable claim forms		
Check claim status		
Submit inquiries to customer service via email		
Access educational information		
Explanation of program benefits		
Custom landing page for employees to access through link on King County website		
View monthly invoices online (up to 12 months of historical invoices)		
Check claim status inquiry for a member		
Monthly management reports		
Terminating beneficiaries		
Other		

49. Provide the URL for your member service website and a temporary login and password for viewing its capabilities by King County's selection committee. (Please provide 6 test user names and passwords).

50. Confirm your ability to fully support both Mac and PC platforms. Yes\_\_\_ No\_\_\_

51. Confirm your ability to support the following browsers:

Browsers	Yes / No
Internet Explorer	
Netscape	
Opera	
Mozilla Firefox	
Safari	
Other	

52. Indicate your willingness to provide a King County co-branded website at no additional charge.  
Yes\_\_\_\_ No\_\_\_\_

### 6-2.5 Confidentiality, Privacy, and Security

53. King County is requiring vendor's commitment to the proposal specifications in order to have a proposal evaluated. Please confirm your ability to meet each of the Proposal Specifications listed below by placing a yes or no in the column and indicate any deviations.

Confidentiality, Privacy, and Security Proposal Specifications	Yes/No
a. Use alternate ID numbers versus social security numbers for member identification.	
b. Confirm your member and employer web site has valid Secure Socket Layer (SSL) security	
c. Verify that your organization can meet the King County Policies and Standards for privacy and security with regard to the administration of strong passwords (eight characters long and a combination of letters (upper and lower case) and numbers) for your member web site.	
d. Confirm that anything that is claims-related or involves Personal Health Information is protected by an individual member's log-on ID and password	
e. Confirm your backup system is capable of supporting disaster recovery efforts, and is there a plan that is written and has been tested?	

54. Confirm your company is in compliance with all current HIPAA regulations for privacy, security, and electronic data interchange (EDI). Yes\_ No\_\_\_\_ Provide a brief description of how your organization substantiates compliance internally.
55. Review Appendix D (King County Business Associate Agreement.doc.) and indicate your organization's willingness to sign this Agreement. Yes\_ No\_\_\_\_ Please indicate any exceptions or deviations on the language included in this Agreement.
56. Describe how your organization will ensure that the confidentiality and privacy of member information, including credit card and other financial data, is being protected when participants use your services.
57. Describe how your organization will ensure that the confidentiality and privacy of member information, including credit card and other financial data, when your employees access King County's data through workstations and laptop computers



## 6-2.6 Plan Design, Administration and Reporting

58. King County is requiring vendor's commitment to the proposal specifications in order to have a proposal evaluated. Please confirm your ability to meet each of the Proposal Specifications listed below by placing a yes or no in the column and indicate any deviations. Refer to Appendix A

Plan Design and Administration Proposal Specifications	Yes/No
a. Ability to administer multiple plan options for participants and the ability to allow plan changes at open enrollment or with a qualifying event	
b. COBRA/ Medical only: Ability to administer an additional charge for participants that request the wellness assessment and individual action plan option.	
c. Ability to send files to King County's wellness assessment, medical (two), Rx, dental, vision and Medication Therapy Management Service vendors	
d. Have a backup system capable of supporting disaster recovery efforts, and a plan that is written and has been tested.	

Reporting Proposal Specifications	Yes/No
e. <b>FSA only:</b> Provide quarterly reports and final summary statements to FSA participants depicting activity and balances.	
f. Provide detailed reports with each invoice to King County that supports the fees billed on the invoice. The report should include count of actives and terminations and indicate COBRA, Retiree Medical Plan, Health Care FSA, or Dependent Care FSA, and include employee name, ID, eligibility date and amount being charged per person.	
g. Provide a monthly report to King County, by the end of the month following collection of previous month's premiums that details the collections and disbursement of COBRA/Retiree Medical Plan monies. The report should support the amount of premiums being forwarded to King County and should also detail all premiums being paid to the fully insured plans.	

59. Describe all on-line reporting capabilities. If a particular service is not included in your quotation, please indicate the additional cost to add the service.
60. Describe other available reports that will assist in the accounting and management of these services.
61. Can you provide a report that will indicate the number of retirees who delay choosing Retiree Medical Plan or COBRA because following their retirement they 1) return to a benefits-eligible position with King County or 2) are covered by their spouse who ? Yes\_\_\_\_\_ No\_\_\_\_\_

## 6-2.7 COBRA Administration

COBRA administration background information:

- There are currently about 210 COBRA participants.

- There are approximately 56 new qualifying events per month (2001-2005).
  - King County will provide employees the initial COBRA notification through summary plan descriptions and employee handbooks.
  - King County will notify the third-party administrator weekly regarding employees and dependents experiencing a qualifying event, their current coverage, and current covered family members
  - King County has an annual open enrollment.
62. King County is requiring vendor's commitment to the proposal specifications in order to have a proposal evaluated. Please confirm your ability to meet each of the Proposal Specifications listed below by placing a yes or no in the column and indicate any deviations.

<b>COBRA Administration Proposal Specifications</b>	<b>Yes/No</b>
a. Provide notice to all qualified beneficiaries of the right to elect continuation coverage upon termination	
b. Process Election notices and confirm coverage	
c. Handle initial and subsequent billings	
d. Notify participant of additional continuation rights in cases of a second qualifying event	
e. Notify participant of cancellation if payment is not received by the due date or within grace period	
f. Track coverage dates required to prepare HIPAA coverage certificates	
g. Provide customer service and problem resolution to all qualified beneficiaries and participants	
h. Provide eligibility data to carriers	
i. Conduct open enrollment activities to coincide with the same time frames as King County (Retirees or COBRA)	
j. Include HIPAA privacy notice in enrollment packet	
k. Remit collected funds to King County and insured carriers within 30 days of receipt	
l. Accept full responsibility for COBRA administration including indemnification of penalties assessed against the client for noncompliance except for those functions expressly delegated to the County as set forth in the agreement	
m. Provide HIPAA certification to all individuals losing COBRA coverage	
n. Accept full responsibility for HIPAA coverage certification including indemnification of penalties assessed against the client for noncompliance	
o. Accept full responsibility for administering the new rules around the second election option under HIPAA (qualifying event allows special enrollment rights for all family members to choose different or same plan)	

## **6-2.8 Retiree Medical Plan Administration**

Retiree Medical Plan background information:

- There are currently about 449 retirees.

- About 17 Retiree Medical Plan notices are sent each month. King County will notify the selected service provider of the newly eligible retirees.
  - Retirees also will be eligible for COBRA continuation coverage if a qualifying event occurs before they become Medicare eligible.
  - King County has an annual open enrollment.
  - Retirees cease to be eligible at age 65 or when Medicare eligible.
  - Retirees currently make premium payments via check is sent in with a coupon, or via ACH
63. King County is requiring vendor's commitment to the proposal specifications in order to have a proposal evaluated. Please confirm your ability to meet each of the Proposal Specifications listed below by placing a yes or no in the column and indicate any deviations.

<b>Retiree Medical Plan Administration Proposal Specifications</b>	<b>Yes/No</b>
a. Provide notice to all qualified beneficiaries of the right to elect continuation coverage upon termination	
b. Process Election notices and confirm coverage	
c. Handle initial and subsequent billings.	
d. Notify participant of cancellation if payment is not received by the due date or within grace period.	
e. Provide customer service and problem resolution to all qualified beneficiaries and participants	
f. Provide eligibility data to carriers	
g. Conduct open enrollment for retirees to coincide with the same time frames as King County	
h. Remit collected funds to King County and insured carriers within 30 days of receipt	
i. Provide accounting, management, and reconciliation reports with each invoice.	
j. Accept full responsibility for Retiree Medical Plan administration including indemnification assessed against the client for noncompliance except for those functions expressly delegated to the County as set forth in the agreement.	
k. Accept full responsibility for HIPAA coverage certification including indemnification of penalties assessed against the client for noncompliance.	
l. Accept full responsibility for administering the new rules around the second election option under HIPAA (qualifying event allows new choice to different or same plan).	
m. Ability to suspend Retiree Medical Plan election when retiree returns to active work status. Keep records of retirees election to allow future retiree benefits	

## 6-2.9 Flexible Spending Accounts Administration

### Background Information:

- King County offers both Health Care and Dependent Care Flexible Spending Account plans.

- The plan year is based on a calendar year.
- Open enrollment period will coincide with the same time frames as King County activities.
- There are currently about 228 people participating in the dependent care spending accounts.
- There are currently about 1159 people participating in the health care spending accounts.
- King County has an annual open enrollment.

64. King County is requiring vendor's commitment to the proposal specifications in order to have a proposal evaluated. Please confirm your ability to meet each of the Proposal Specifications listed below by placing a yes or no in the column and indicate any deviations.

<b>Flexible Spending Accounts Administration Proposal Specifications</b>	<b>Yes/No</b>
a. Accept accrual information from two payroll systems (one semi-monthly and one bi-weekly)	
b. Provide accounting, management and reconciliation reports for all deposits and claim activity.	
c. Ability to process claims and generate reimbursements with 5 days of receipt.	
d. Perform nondiscrimination testing	
e. Ability to process claims over 2 plan years.	
f. Mail confirmation letters to newly enrolled participants following receipt of file from King County	

65. What is the ratio of members to claims processors for the location and team you are proposing?

66. Provide claim statistics for the proposed claim office in the table below.

	<b>Standard</b>	<b>2004</b>	<b>2005</b>
Financial accuracy (percent of dollars paid correctly)			
Overall accuracy			
Turnaround time for Health Care FSA			
Turnaround time for Dependent Care FSA			

67. Are there plans to replace the claim processing system within the next three years at the claim office you are proposing for King County? Yes \_\_\_\_ No \_\_\_\_ If yes, when? If yes, do you have a detailed implementation plan specific to the individual employer plan level to assure smooth transition to the new platform?
68. Explain your process for transferring employees FSA funds to the vendor, i.e. reimbursement basis or funds transfer when withheld from employee up front.
69. Describe how your organization works with the participants to reduce end-of-year forfeitures?
70. Confirm your ability to offer debit cards as part of Flexible Spending Account administration  
Yes \_\_\_\_ No \_\_\_\_ (This is a service the county may wish to implement during the course of the contract.)

71. Complete the following table indicating the on-line tools currently available to providers.

Provider On-line Support	Currently Yes/No	Comments
Real-time verification of the eligibility status of members		
Access to benefit plan information		
Submit claims		
Other		

72. Describe your appeals process that is available to our participants.

#### 6-2.10 Eligibility Reporting

73. King County is requiring vendor's commitment to the proposal specifications in order to have a proposal evaluated. Please confirm your ability to meet each of the Proposal Specifications listed below by placing a yes or no in the column and indicate any deviations.

Eligibility Reporting Proposal Specifications	Yes/No
a. Accept electronic data transfer from King County and administer membership information in compliance with HIPAA standards for privacy, security and electronic data interchange	
b. Accept weekly: <ul style="list-style-type: none"> <li>o COBRA eligibility file (includes biweekly and semi-monthly employees)</li> <li>o Biweekly FSA contributions change file for biweekly employees</li> <li>o Semi-monthly FSA contributions change file for semi-monthly employees (two business days before MSA payday)</li> <li>o Yearly FSA enrollment file for biweekly and semi-monthly employees</li> </ul>	
c. Accept files that contain benefit-eligible employees & dependents including actives All files will be delivered in the following manner: <ul style="list-style-type: none"> <li>o Via King County ftp site</li> <li>o In XML (Extensible Markup Language)</li> <li>o Terminations will appear only once on a file and will not be repeated on subsequent files</li> </ul>	
d. Agree to notify King County immediately upon identification of system-related problems, programming problems, or data transfer problems. Make every effort necessary to correct such problems within 48 hours regardless of the time or date in order to minimize any disruption to members	
e. Provide standard key reports and ad hoc reports accurately and within mutually established dates and response times via a secured data transfer	
f. Accept eligibility files using an encrypted, secure method	

<b>Eligibility Reporting Proposal Specifications</b>	<b>Yes/No</b>
g. Accept an email notification that file has been sent and send an email confirming data upload has completed successfully or an error report	
h. Accept manual updates via fax and email	
i. Update vendor systems within one business day from the date/time stamp on the XML file from King County	
j. Provide data file twice-monthly to King County third party vendors (medical, Rx, etc.)	
k. Send semi-yearly XML roster file with all employees and dependents to King County. The file will include all information (names, addresses, date of birth, etc.); provide the last week of May and October; sent within two business days following the last file received from King County for that month	
l. Send monthly COBRA report with count of actives and terminations	
m. Send monthly FSA report with count of actives and terminations	
n. Provide eligibility data for COBRA and Retirees that select the KingCaresm plan to the medical, Rx, Medication Therapy Management Services (MTMS), and vision vendors. For those that select the Group Health plan, the eligibility data will be sent to Group Health and the vision vendor.	

74. List your required and optional data fields for electronic eligibility files.

#### **6-2.11 Billing and Banking**

75. King County is requiring vendor's commitment to the proposal specifications in order to have a proposal evaluated. Please confirm your ability to meet each of the Proposal Specifications listed below by placing a yes or no in the column and indicate any deviations.

<b>Billing and Banking Proposal Specifications</b>	<b>Yes/No</b>
a. Ability to go back one year (on a 12-month rolling basis) for retroactivity	
b. Any payment remittance must have option for Automated Clearing House (ACH) or wire transfer	
c. Remit collected funds to King County and insured carriers within 30 days of receipt	

76. List how participants may pay premiums, i.e., check, cash, money order, credit/debit cards, online transfer.

## 6-2.12 Financial Information

77. King County is requiring vendor's commitment to the proposal specifications in order to have a proposal evaluated. Please confirm your ability to meet each of the Proposal Specifications listed below by placing a yes or no in the column and indicate any deviations.

<b>Financial Proposal Specifications</b>	<b>Yes/No</b>
a. Offer a competitive financial proposal.	
b. Offer competitive Implementation and ongoing Performance Guarantees in which the organization takes full financial risk for unsatisfied guarantees.	
c. Report on performance guarantees quarterly; pay penalties annually	
d. Reimburse the County directly for any money owed to them (monthly).	
e. Can you handle distributions to multiple vendors? I.E. - premiums for the self funded plans, as well as the 2% administrative fee must be remitted to King County. Premiums for the fully insured plans are payable directly to the carriers.	

78. Provide your company's latest financial rating, if applicable.

<b>Rating Agency</b>	<b>Rating and Date</b>
A.M. Best	
Fitch	
Standard & Poor's	

79. Complete the following table with information reflecting your 2005 self insured and fully insured book-of-business:

<b>Plan Sponsor/Type</b>	<b>Number of Plan Sponsors</b>	<b>Number of Covered Members</b>	<b>Annual Total Paid Claims</b>
Commercial			
Government/Public Sector			

80. What was your 2004 and 2005 client retention rate for commercial vs. government/public sector plan sponsors?
81. Disclose any potential conflicts of interest in managing the King County benefits.
82. Provide a copy of your most recent audited financial statement.

## 6.2-13 Performance Guarantees

83. Indicate your willingness to adhere to the following performance guarantees, and the proposed percentage of fees your organization will put at risk for each standard. Note any deviations.

### Performance Guarantees - COBRA and Retiree Medical Plan

Measurement	Definition	Proposed Guarantee	Proposed Penalty/ Percentage at Risk	Comply Yes/No	County Specific Yes/No
Financial Timeliness	Remit collected funds to King County and insured carriers within 30 days of receipt				
Accuracy	Accuracy of determining COBRA qualifying event for family members when subscriber turns age 65 or dies while on the Retiree Medical Plan				
	Accuracy of terminating benefits in a timely manner, i.e., COBRA, in compliance with regulations(18, 27, or 36 months)and retirees at age 65				
Turnaround Time	Turnaround time is the time it takes to issue Qualifying Event notices upon notification from King County. The turn around time is measured by acknowledging the standard 10-days given to administrators to issue these letters				
Eligibility	Upon election of COBRA, all eligibility will be entered into the system and the carriers will be notified 10 business days after receipt of the eligibility file from King County				
Customer Service Responses	Performance is measured by random auditing of phone calls to ensure quality customer service. This would also include monitoring callbacks to make sure they are with in the 24-hour time period allowed (not				



### Performance Guarantees - COBRA and Retiree Medical Plan

Measurement	Definition	Proposed Guarantee	Proposed Penalty/ Percentage at Risk	Comply Yes/No	County Specific Yes/No
	including weekends or holidays)				
Reporting	Provide a monthly report to King County, in support of and detailing the collections and disbursement of Cobra/Retiree monies. The report should support the amount of premiums being forwarded to King County and should also detail all premiums being paid to the fully insured plans.				
Implementation (One-time fee)	4 guarantees to be mutually agreed upon by King County and Vendor				

### Performance Guarantees – Flexible Spending Accounts

Measurement	Definition	Proposed Guarantee	Proposed Penalty/ Percentage at Risk	Comply Yes/No	County Specific Yes/No
Claims Processing					
Timeliness	The percentage of all claims processed within a specified number of days. Timeliness is measured from the date the claim is received by the Administrator to the date it is processed (i.e., paid, denied or pended for external information) & reimbursed to member.				
Employee Satisfaction Survey	Once a year the vendor will send an employee satisfaction survey to 30% of current participants of Section 125 FSAs. Results will be reported to the County no later than 60 days following survey closing date. Favorable response is defined as any response to include good, very good or excellent				
Customer Response	Incoming calls and emails received during normal the work-week will be responded to within 24 hours.				
Reporting	Quarterly statements and final summary to FSA participants				
Implementation (One-time fee)	4 guarantees to be mutually agreed upon by King County and Vendor				

#### 6.2-14 Financial Proposal

##### 84. Instructions

- Provide all fees on a per-employee-per-month (PEPM) basis.
- The current plan designs are included in Appendix B & C.
- Three-year fee guarantees are required for all services.
- Indicate the services that are included in your fees and those services for which there are additional costs.

- If you are willing to guarantee fees beyond the third year, please indicate the guaranteed fees.

85. Please indicate the per employee per month (PEPM) amount you will charge:

<b>Administration Services</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Per Employee Per Month Fee</b>			

## Appendix A – Census Data

There are approximately 13,000 employees eligible to participate in the King County's benefits program. Starting in 2007 there will be two medical plans available – KingCare<sup>sm</sup> and Group Health. Each medical plan will have three out-of-pocket level of expense: KingCare<sup>sm</sup> Gold, KingCare<sup>sm</sup> Silver, KingCare<sup>sm</sup> Bronze and Group Health Gold, Group Health Silver, Group Health Bronze. All eligible family members receive the same coverage the employee elects. Active participants who make an election for medical automatically receive dental and vision coverage.

There are approximately 709 ATU Local 587 employees under the part-time Full and Partial Benefits Plans who can purchase medical, dental, and vision coverage separately. Rates are tiered based on family size and coverage elected. Starting in 2007 there will be two medical plans available – KingCare<sup>sm</sup> and Group Health. Each medical plan will have three out-of-pocket level of expense: KingCare<sup>sm</sup> Gold, KingCare<sup>sm</sup> Silver, KingCare<sup>sm</sup> Bronze and Group Health Gold, Group Health Silver, Group Health Bronze. Active participants who make an election for medical automatically receive dental and vision coverage.

All part-time transit operators must purchase medical coverage in order to purchase dental coverage. Also, they must purchase medical coverage for themselves in order to purchase medical and dental coverage for their family members. Visions coverage may be purchased separately for the employee and family members.

There are approximately 500 active employees in the Technical Employees Association (TEA) union. These employees have not completed negotiating their contract and may have to be identified separately.

There are approximately 671 active employees that participate in the King County Police Officer Guild (KCPOG) plans. There will be two medical plan vendors: Aetna (KCPOG Aetna PPO and KCPOG Aetna Network HMO) and Group Health (KCPOG Group Health).

The table below shows the enrollment information for all employees and retirees eligible for benefits

	Carrier	Employee Groups	COBRA	Retiree Medical Plan
<b>Medical Plan and RX</b>				
KingCare <sup>sm</sup> Gold	Aetna, ESI, and MTMS <sup>2</sup>	Regular,	X	X
		Part-Time ATU with Full and Partial Plans	X	X
		TEA <sup>3</sup>	X	X
KingCare <sup>sm</sup> Silver	Aetna, ESI, and MTMS	Regular,	X	X
		Part-Time ATU with Full and Partial Plans	X	X
		TEA	X	X

<sup>2</sup> Medication Therapy Management Services – a new third-party vendor to be announced

<sup>3</sup> Technical Employees Association (TEA) is still bargaining and may be included as a separate group

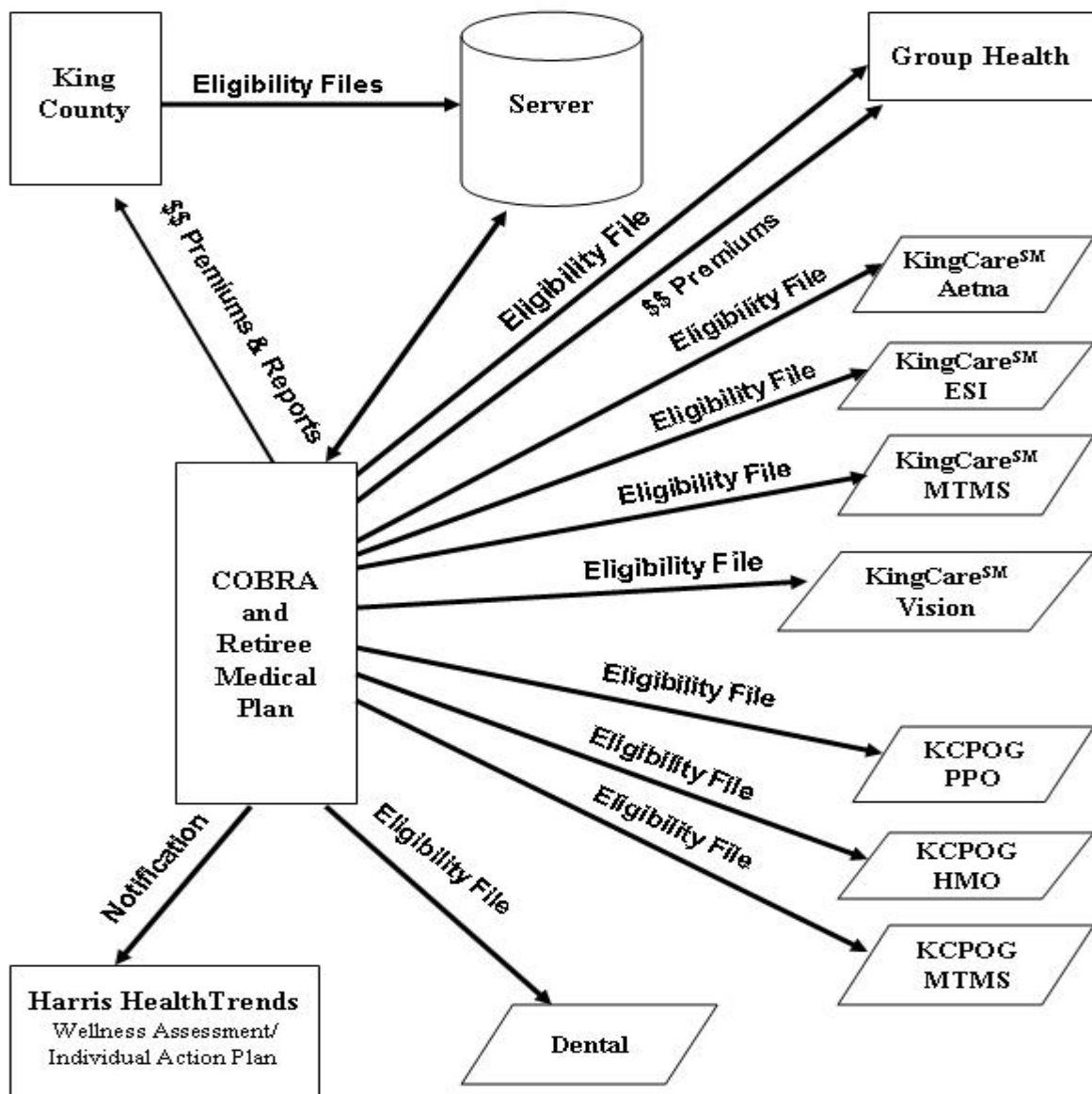
	Carrier	Employee Groups	COBRA	Retiree Medical Plan
<b>Medical Plan and RX</b>				
KingCare <sup>sm</sup> Bronze	Aetna, ESI, and MTMS	Regular	X	X
		Part-Time ATU with Full and Partial Plans	X	X
		TEA	X	X
KCPOG Aetna PPO	Aetna	Sheriffs	X	X
KCPOG Network HMO	Aetna	Sheriffs	X	X
Group Health Gold	Group Health	Regular	X	X
		Part-Time ATU with Full and Partial Plans	X	X
		TEA	X	X
Group Health Silver	Group Health	Regular	X	X
		Part-Time ATU with Full and Partial Plans	X	X
		TEA	X	X
Group Health Bronze	Group Health	Regular	X	X
		Part-Time ATU with Full and Partial Plans	X	X
		TEA	X	X
KCPOG Group Health HMO	Group Health	Sheriffs	X	X

	Carrier	Employee Groups	COBRA	Retiree Medical Plan
Dental Plan				
Washington Dental Services <sup>4</sup>	WDS	Regular	X	
		Part-Time ATU with Full and Partial Plans	X	
		TEA	X	
KCPOG Washington Dental Services	WDS	Sheriffs	X	
Vision Plan				
Vision Service Plan <sup>5</sup>	VSP	Regular	X	X
		Part-Time ATU with Full and Partial Plans	X	X
		TEA	X	X
Flexible Spending Account	TBD	Regular	NA	NA
		Part-Time ATU with Full and Partial Plans	NA	NA
		TEA	NA	NA
		Sheriffs	NA	NA
Wellness Assessment and Individual Action Plan				
Charge (\$\$ TBD)		Regular	X	X
		Part-Time ATU with Full and Partial Plans	X	X
		TEA	X	X

<sup>4</sup> This is the current dental vendor. There is a pending RFP to select a vendor by June 1, 2006

<sup>5</sup> This is the current vision vendor. There is a pending RFP to select a vendor by June 1, 2006

## COBRA and Retiree Medical Plan



ESI – Express Scripts, Inc (Rx)  
HMO – Health Maintenance Organization  
KCPOG – King County Police Officer Guild  
MTMS – Medication Therapy Management Services  
PPO – Preferred Provider Organization